Ministry of Consumer and Corporate Affairs

Annual Report 1986

87-04243/

MINISTRY OF CONSUMER AND CORPORATE AFFAIRS

ANNUAL REPORT

FOR THE YEAR ENDING

MARCH 31, 1986

On November 6, 1986, the Ministry of Consumer and Corporate Affairs was disbanded following a reorganization of government.

Consumer and Tenancy Relations programs of the former Ministry of Consumer and Corporate Affairs are now the responsibility of the Ministry of Labour and Consumer Services. For more information, contact:

Ministry of Labour and Consumer Services
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Corporate and Financial Relations programs of the former Ministry of Consumer and Corporate Affairs are now the responsibility of the Ministry of Finance and Corporate Relations. For more information, contact:

Ministry of Finance and Corporate Relations
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Province of British Columbia

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THE HONOURABLE ELWOOD N. VEITCH

To the Honourable
Robert Gordon Rogers
Lieutenant-Governor of the
Province of British Columbia

May It Please Your Honor:

I have the honour, Sir, to submit the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1986.

Elwood N. Veitch
Minister of Consumer and
Corporate Affairs

JILL BODKIN

To the Honourable Elwood N. Veitch
Minister of Consumer and Corporate Affairs
Parliament Buildings
Victoria, British Columbia

Sir:

I have the honour to submit for your consideration the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1986.

Jill Bodkin

Jill Bodkin
Deputy Minister
Ministry of Consumer and
Corporate Affairs

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Introduction

The Ministry of Consumer and Corporate Affairs' mandate is to foster confidence in the British Columbia marketplace and in businesses regulated by the Ministry. This is achieved through measures which protect the public in their dealings with regulated businesses and encourage a positive climate in which such businesses can operate.

The Ministry's primary role is to establish marketplace rules, to monitor compliance with the rules and to enforce the rules when necessary.

For example, the Consumer and Tenancy Relations Program seeks a fair balance by protecting consumers without infringing on the rights of responsible businesses. In the interests of the entire community, it aims to preserve the rights and freedoms of everybody in the marketplace -- and to make sure unscrupulous individuals and practices do not flourish.

The program administers legislation governing motor dealer licensing, cemetery and funeral services, consumer protection, trade practices, credit and debtor assistance, travel services and residential tenancies. Staff of the program also liaise with consumers and businesses and support the consumer education course in high schools in cooperation with the Ministry of Education.

In the same way, the Corporate and Financial Relations Program, which concentrates on financial, commercial and investment activities, must also achieve an equitable balance. It makes rules to regulate aspects of the securities, insurance and real estate markets as well as trust companies, credit unions and co-operatives. The program aims both to encourage investment and to maintain investor confidence through safe and orderly markets.

The Ministry also has control over matters relating to liquor through operation of the Liquor Control and Licensing Branch and Liquor Distribution Branch. Again, a balance must be found to provide convenient access for customers and suppliers while minimizing the social costs of alcohol consumption.

The mandate of the British Columbia Ministry of Consumer and Corporate Affairs is different from Consumer and Corporate Affairs Canada. The federal department is responsible for matters such as product safety, competition policy, bankruptcy, patents, trade marks and copyrights. It is also different from the work of Better Business Bureaus in British Columbia. One objective of these agencies is to mediate problems between businesses and consumers when parties are unable to resolve problems on their own.

L E G I S L A T I O N

Consumer and Tenancy Relations

Bankruptcy Act (Federal - Part X only)
Blind Persons Rights Act
Cemetery Act
Cemetery Company Act
Cemetery (Municipal) Act
Commercial Tenancy Act
Consumer Protection Act, 1967 -- Chapter 64
Consumer Protection Act -- Chapter 65
Credit Reporting Act
Cremation Act
Debt Collection Act
Debtor Assistance Act
Funeral Plan Act
Motor Dealer Act
Pyramid Distribution Act
Rent Distress Act
Repairers Lien Act
Residential Tenancy Act
Trade Practice Act
Trading Stamp Act
Travel Agents Act

Corporate and Financial Relations

Book Accounts Assignment Act
Chattel Mortgage Act
Commercial Appeals Commission Act
Commodity Contract Act
Company Act
Company Clauses Act
Condominium Act
Cooperative Association Act
Creditor Assistance Act
Credit Union Act
Insurance Act
Insurance (Marine) Act
Investment Contract Act
Mobile Home Act
Mortgage Brokers Act
Mutual Fire Insurance Companies Act (not consolidated)
Partnership Act
Real Estate Act
Sale of Goods Act
Sale of Goods on Condition Act
Sales on Consignment Act
Savings and Loan Associations Act (not consolidated)
Securities (Forged Transfer) Act
Securities Act (excluding Section 142)
Society Act
Trust Company Act
Vancouver Stock Exchange Act

Liquor Control and Licensing Branch

Liquor Control and Licensing Act

Liquor Distribution Branch

Liquor Distribution Act

Other

Ministry of Consumer and Corporate Affairs Act
Tugboat Worker Lien Act
Warehouse Lien Act
Warehouse Receipt Act
Woodworker Lien Act
Inflation Control Act (joint responsibility with Ministry of Finance)

SENIOR STAFF
AS AT MARCH 31, 1986

Executive

Minister	Elwood Veitch
Deputy Minister	M.A. (Jill) Bodkin
Executive Secretary	M. Caul

Support Services

General Manager, Management Support Services	L. Doney
Acting Director of Operational Review	K. Ayers
Director of Financial Services	W. Hatch
Director of Personnel Services	F. E. Fagan
Director of Policy and Legislation	K. A. MacIver
Director of Public Affairs	Vacant
Director of Information Systems	M. Chadwick

Corporate and Financial Relations

Assistant Deputy Minister	J.D. Edgar
Superintendent of Brokers and Real Estate	Vacant
Deputy Superintendent of Brokers	E. Jewitt
Deputy Superintendent of Real Estate	D. Holbrook
Director of Filings	E. L. Affleck
Director of Corporate Investigations	H. A. Dilworth
Superintendent of Financial Institutions	A. Mulholland
Deputy Superintendent of Credit Unions	D. Tant
Registrar of Corporate, Central and Mobile Home Registry	M. A. Jorre de St. Jorre
Deputy Registrar of Companies	R. Lowdon

Consumer and Tenancy Relations

Assistant Deputy Minister	S. G. Goodings
Director of Investigations	M. Hanson
Director of Consumer Credit and Debtor Assistance	H. Atkinson
Chief of Consumer Credit	C. Bainbridge
Chief of Debtor Assistance	D. Welbanks
Registrar of Motor Dealers	N. Manning
Registrar of Travel Services	F. Basiren
Registrar of Cemeteries	D. Patterson
Director of Residential Tenancy Branch	T. McDiarmid
Acting Registrar of Residential Tenancy Branch	J. Legg

Liquor Control and Licensing Branch

General Manager	R. A. Gould
Deputy General Manager of Licensing	D. E. Andersen
Deputy General Manager of Enforcement	E. Owsianski
General Manager of Policy, Research and Administration	K. G. Stewart
Chief Inspector	R. E. G. Smith

Liquor Distribution Branch

General Manager	R. A. Wallace
Director of Finance	L. N. Dyer
Director of Purchasing	K. D. Brownlow
Director of Store Operations	D. Anderson
Director of Distribution	D. B. Wilkinson
Director of Security	J. R. Bowcott
Director of Internal Audit	D. W. Chung
Director of Systems & Data Processing	M. E. Smith
Director of Communications	P. Choate
Manager of Employee Relations	K. L. Leigh
Manager of Employee Services	P. A. Vest
Director of Corporate Planning & Research	G. Hall
Executive Secretary	L. A. Burfoot

Consumer Credit and Debtor Assistance Branch

Since its establishment in 1977, this branch has assisted consumers in repaying their debts by mediating with their creditors and by providing counselling on consumer credit matters.

Branch staff:

- o counsel debtors to make repayment arrangements with their creditors while still maintaining a necessary standard of living;
- o regulate activities of credit grantors, collection agencies, reporting agencies and bailiffs to ensure compliance with provincial credit and debt legislation;
- o maintain contact with debtors, creditors, reporting agencies, bailiffs and federal and provincial government agencies on credit and debt matters; and,
- o answer inquiries on debt problems and credit legislation as well as liaise with schools, community groups and the credit industry.

These major activities are carried out through two branch programs -- the Consumer Credit Program and the Debtor Assistance Program. Legislative authority is granted by the Debtor Assistance Act, Debt Collection Act, Credit Reporting Act, sections of the Consumer Protection Act and Part X of the federal Bankruptcy Act.

These laws govern the relationship between creditors and debtors, define the rights and responsibilities of each and set the mandate for regulating activities of marketplace participants in the credit industry.

During the reporting year approximately $2.8 million -- which might not otherwise have been repaid -- was returned to business and general creditors.

Debtor Assistance Program

The objective of this program is to help debtors repay debts consistent with their ability.

In particular, branch staff can:

- o arrange meetings between a debtor and his creditors to arrange satisfactory agreements for settlement of debts;
- o advise and assist a debtor in preparing a plan for settlement or repayment of debts;
- o aid a debtor in obtaining postponements, adjustments or extensions of time for payment of debts;
- o provide advice and assistance to a debtor who cannot meet his liabilities and who through court proceedings or otherwise is being pressed for payment by his creditors;
- o provide information on consumer credit and debt matters; and,
- o receive money in trust from a debtor for distribution to creditors according to the debtor's instructions.

The branch first attempts to help the client find his or her own solution to a particular debt problem. This usually involves

an assessment of the client's income and financial commitments before encouraging discussion with creditors to work out a mutually acceptable repayment plan.

If a client is unemployed, considering filing for personal bankruptcy or is facing a creditor who must resort to foreclosure or repossession, information about rights and responsibilities of the debtor is also supplied.

Three counsellors work from a Vancouver office which serves Vancouver and the Lower Mainland as well as the Prince Rupert, Kitimat and Terrace areas.

The Vancouver office was decentralized by opening a sub-office in New Westminster. Two counsellors and one support staff were to be transferred to this office in April, 1986. As well as serving New Westminster, this office serves the communities of Surrey, Langley, Delta, Mission, Maple Ridge, Haney and the Lower Fraser Valley.

Two counsellors are based in Kamloops and cover the Prince George, Okanagan, Kootenay and Kamloops regions.

Another two counsellors are stationed in Victoria to provide services for residents of the Campbell River, Nanaimo, Powell River and Greater Victoria regions.

During the year under review, branch staff counselled 5,491 clients. That figure represents a 7.2 per cent increase or 370 clients from the previous reporting year.

Approximately 90 per cent of clients counselled live in British Columbia's largest urban areas -- Greater Victoria and the Island, Greater Vancouver, Kamloops, Penticton, Kelowna, Prince George and the Kootenays.

Activities under the federal Bankruptcy Act

British Columbia is one of six provinces delegated responsibility from the Government of Canada to administer Part X of the Bankruptcy Act.

During the reporting year, the Director of Debtor Assistance chaired a working committee of all provinces regarding amendments to Part X of the Bankruptcy Act. The report was presented to the committee members' respective Ministers in November, 1985.

Along with Nova Scotia, Prince Edward Island, Manitoba, Saskatchewan and Alberta, British Columbia debtors are able to apply to a Ministry debt counselling office for consolidation orders which set out terms for the orderly repayment of debts.

The order specifies the name of and amount owing to each creditor, the amounts of payment and the schedule of payments to the courts. The consolidation order amounts to a judgement of the court in favour of each creditor named in the order.

With consolidation orders, the duty of the courts is to ensure money paid is disbursed to creditors in line with terms of the order.

The Consumer Credit and Debtor Assistance Branch works with debtors to prepare their applications for consolidation orders and liaises with courts and creditors on issues related to orderly payment of debt caseloads.

During the reporting year, 398 orderly payment of debt orders were granted.

A comparative table of past years is included in the appendix.

By working with debtors to prepare and later assist in complying with terms of the order, the branch has played a useful role in reducing the demand on court services. The 1,400 ongoing orderly payment of debt orders in place during the reporting period might have resulted in 12,000 actions in court if the option of debt repayment was not in place.

The branch was successful in working with its clients to return $2,842,146 to creditors in 1985-86 -- a $231,331 or 8.9 per cent increase over the previous reporting year.

As noted above, counsellors may also negotiate less formal repayment arrangements with a debtor's creditors and hold debtors' money in trust for disbursement to creditors.

As well, a considerable degree of support was received from the credit industry which referred 40 per cent of the branch's clientele.

Detailed figures respecting the impact of Part X of the federal Bankruptcy Act are provided in the appendix.

Consumer Credit Program

Consumer credit is a major industry representing $5 billion in consumer credit outstanding in British Columbia and $15 billion in mortgage credit.

The two major activities of the Consumer Credit Program are to regulate activities of the credit industry as outlined in the Credit Reporting Act and to assume administrative responsibility on all credit issues such as advertising, disclosure and credit practices provisions of the Consumer Protection Act.

The program is responsible for licensing reporting agencies, developing policies for their operations and handling complaints received by consumers.

Regulations apply to credit bureaus, retail department stores, oil companies, insurance companies, banks, credit unions, trust companies and all others who keep and give out personal information as part of their business activity.

Guidelines are in place to control what type of information can be collected, where it can be stored, who can obtain it and purposes for which it can be obtained. Disclosure provisions are also included -- the sources of information and the names of recipients of a report must be provided to a consumer upon request.

In 1985-86, 41 credit reporting agencies were operating in British Columbia, an increase of three over the number operating in 1984-85.

Two hundred eighty-nine written complaints/enquiries and 425 telephone complaints were handled by branch staff. Over 80 per cent of the complaints were questions about what kind of information consumer reporting agencies can collect, how long the information can be kept on file and how an individual can obtain access to his or her file.

Credit bureau disclosures to consumers of information on file also increased from 28,970 to

31,277 in 1985-86. No licences were suspended or cancelled and no prosecutions were launched during the reporting period.

The branch also enforces reasonable collection and seizure practices of agencies and court bailiffs to ensure undue pressure is not exerted on debtors, their families or their employers.

Bailiffs and collection agents must be licensed and must conduct their operations in accordance with provisions of the Debt Collection Act.

The Director of Debt Collection has outlined questionable collection and bailiff practices that have come to the attention of the branch during the reporting year in order to assist each licensee to maintain a high standard of conduct and self-regulation. The director will provide guidelines for training new employees and develop policy for collectors and bailiffs in British Columbia.

In 1985-86, 139 licences were issued to debt collection agencies, while 486 licences were issued to collectors employed by these agencies. One hundred and ninety-one written complaints were handled as were 2,571 telephone enquiries/complaints. One prosecution was underway for failure of a collection agency to comply with an order of the branch and 17 licences were suspended or cancelled.

Comparative statistics are provided in the appendix.

Branch and Resources

In 1985-86, the Consumer Credit and Debtor Assistance Branch employed a total of 25 full-time equivalents. A decrease of one full-time equivalent was permitted by a consolidation of reception areas between Residential Tenancy Branch and the Debtor Assistance Program.

Total expenditures for the branch were $1,043,883. Just under three-quarters of that budget was allocated to the Debtor Assistance Program. Total staff commitment to that area during the reporting year was 20. Two staff administer activities under the consumer credit program and another two staff were involved in debt collection administration.

An audit completed by the Office of the Comptroller General in 1983-84, recommended development of a new automated system as the only means by which the Debtor Assistance Program could meet the requirements of the Financial Administration Act. The branch developed a proposal and received Treasury Board approval for this initiative in 1985-86. The new system will be implemented by March 31, 1987.

Registrar of Travel Services

The Travel Agents Act was enacted to protect consumers from failures by travel agents, travel wholesalers and foreign suppliers.

The registrar regulates, inspects and licenses travel agents and tour operators, in addition to providing advice for these groups and ensuring protection for their clients.

Travel Assurance Board

Consumers who fail to receive services they paid for are reimbursed from the Travel Assurance Fund if the registrant whom they paid goes out of business. Claims against the fund are heard and decided by the Travel Assurance Board. The board comprises seven members appointed by the Lieutenant Governor in Council. The registrar is not a member of the board but acts as its secretary and provides the information and particulars respecting claims against the fund.

The board hears and decides claims against the fund and files annual reports with the Minister. Board decisions can only be appealed to the Supreme Court of British Columbia on a question of law or excess of jurisdiction.

A person who has suffered direct economic loss by reason of insolvency or bankruptcy of a travel agent or travel wholesaler is entitled to make a claim to the board within one year of default.

Claims are accepted by the registrar for consideration by the Travel Assurance Board.

During the reporting year, the Travel Assurance Board met 12 times, approving 529 claims against 12 agency/tour operator/ wholesale failures, of which eight were in-province and four out-of-province. The Travel Assurance Board members were also contacted on two occasions for emergency guarantees in the failures of Century Tours and Jetlink.

Fees are collected by the registrar for registration and contribution to the Travel Assurance Fund. Upon registration, each agent and wholesaler contributes $400; $100 is deposited in the Consolidated Revenue Fund and the other $300 in the Travel Assurance Fund. Subsequent contributions are based on volume of sales. Contributions are made to the registrar who deposits monies in a trust account for processing claims against the Travel Assurance Fund.

In addition to liaison with industry for licensing, collecting of funds and inspecting, consultation with industry associations and trade press on a variety of issues is also an activity of staff. A priority of the registrar is also to inform the public and travel industry of services and protection offered by his office.

Use of computer technology was expanded to enable increased redeployment of staff into inspections.

At the end of the reporting year, there were 802 registrants under the Travel Agents Act. Approximately 60 per cent of the registrants are located in the Lower Mainland and Vancouver Island.

The office of the Registrar of Travel Services employed five full-time equivalents during the reporting year and operated with a budget of $234,170. A statistical summary of activity is provided in the appendix.

Consumer Investigations Branch

The Consumer Investigations Branch investigates alleged offenses against consumer protection laws and initiates enforcement proceedings where necessary. The branch administers the following statutes:

Blind Persons Rights Act
Cemetery Act
Cemetery Company Act
Cemetery (Municipal) Act
Commercial Tenancy Act
Consumer Protection Act, 1967 (Chap. 64)
Consumer Protection Act, (Chap. 65)
Credit Reporting Act
Cremation Act
Debt Collection Act
Funeral Plan Act
Pyramid Distribution Act
Repairers Lien Act
Residential Tenancy Act
Sale of Goods Act
Trade Practice Act
Trading Stamp Act
Travel Agents Act

The statutes which give rise to most investigations are the Consumer Protection Act and the Trade Practice Act.

During the reporting year, there were six assurances of voluntary compliance (AVC) signed, two substitute actions, seven prosecutions and four declaration/injunctions completed under the Trade Practice Act.

Misleading or deceptive sales representations are still commonly found in the itinerant sales field.

In addition, there is evidence of suppliers taking advantage of the vulnerability of elderly homeowners who are often ill equipped to determine whether house repairs are necessary and what constitutes a fair price.

Details of cases were provided in the annual report of the Director of Trade Practices.

Residential Tenancy Branch

The Residential Tenancy Branch administers the Residential Tenancy Act, which became effective July 1, 1984.

In broad terms, the goals of the branch are to encourage self-resolution of landlord-tenant problems through public education and information and to provide an accessible and inexpensive means of formal resolution for certain disputes.

Principle functions of the branch are:

- o to provide information to landlords and tenants on their rights and responsibilities under the legislation through telephone inquiries, personal interviews and correspondence;
- o to administer a dispute resolution process using government-appointed arbitrators;
- o to examine and investigate alleged contraventions of the Residential Tenancy Act and take appropriate action including informal mediation and recommendation for prosecution;
- o to conduct ongoing research and monitoring of the rental housing market, including the collection of data from Notices of Rent Increases respecting mobile home pad tenancies; and,
- o to carry out public speaking engagements and visit community groups to improve public awareness of Residential Tenancy Act provisions.

The Residential Tenancy Act regulates all important aspects of landlord-tenant relationships for residential premises, including rights and responsibilities of landlords and tenants, methods and reasons for terminating tenancies, repair and maintenance of premises, rent increases, security deposits, monetary claims and compensation. Mobile home pad tenancies are also regulated under the act.

The legislation governing residential tenancies in British Columbia was first introduced in 1974 and was based on recommendations of the Law Reform Commission. These recommendations responded to a recognized need for new statutory provisions governing modern residential tenancies. The offices of the Rentalsman and Rent Review Commission were established at that time and eventually amalgamated in 1980.

The Residential Tenancy Act of 1984 created the Residential Tenancy Branch which replaced the Office of the Rentalsman and represented a reduction in government involvement in the regulation of certain aspects of the residential tenancy market. The new act instituted a system of shared jurisdiction over residential tenancy disputes of a more urgent nature. Specific disputes are resolved through arbitration processes administered by the Residential Tenancy Branch unless the parties mutually agree to have all disputes resolved by the courts, or appoint their own arbitrator to resolve a specific dispute. All monetary claims are within the jurisdiction of the courts.

The arbitration process is designed to provide a relatively inexpensive and quick method of binding dispute resolution, which is less formal and more accessible to landlords and tenants than the Supreme or County Courts. The filing fee of $30 is generally awarded to the successful party.

Decision-making powers under the legislation are vested in the arbitrators, who exercise powers parallel to the Supreme and County Courts. A decision or order of an arbitrator is enforceable by filing the order in the Supreme and County Courts and is reviewable on questions of law or jurisdiction only, under the Judicial Review Procedures Act. Six arbitrators appointed by the Minister of Consumer and Corporate Affairs were contracted to provide arbitration and related services to the Residential Tenancy Branch.

There were 3,110 applications for arbitration processed by the branch during the reporting year. The most prevalent subject matters of these applications were: disputed notices of termination, orders of possession, applications for early termination and repairs and services. Statistical information is provided in the appendix to show the breakdown of the applications by subject matter.

Public inquiries to the branch averaged 7,804 telephone calls and 987 in-person inquiries per month during the fiscal year. In addition, an average of 65 information files per month were initiated by public inquiries. A table providing further statistical information is included in the appendix.

Information on landlord-tenant matters is provided by the branch's inquiry officers in order to assist landlords and tenants in resolving problems between themselves or, where such self-resolution is not possible, to enable them to pursue a resolution through arbitration or court action. The inquiry officers are also able to mediate a substantial number of disputes.

In its first full year of operation, the Residential Tenancy Branch's priorities included:

- revision and refinement of procedures to deal with arbitration applications;
- some reorganization of job responsibilities and reporting relationships to increase efficiency and effectiveness; and,
- development and implementation of a micro-computer program recording and producing statistics on Notices of Rent Increase for mobile home pads.

The main office of the Residential Tenancy Branch is located in Vancouver with a branch office in Victoria. These offices receive arbitration applications, answer public inquiries on landlord-tenant matters and supply prescribed forms and information material pertaining to the Residential Tenancy Act. There is an established liaison with government agents offices throughout the province. Government agents supply the public with prescribed forms and informational material and receive arbitration applications for immediate electronic transmission to the branch in Vancouver.

There are approximately 400,000 rental units in British Columbia regulated by the Residential Tenancy Act. Residential properties as diverse as basement suites, mobile home pads, high-rise apartment buildings and single family homes fall under this legislation. Approximately 70 per cent of the rental units are located in the Lower Mainland area, with another 10 per cent in the Victoria area and the balance spread throughout the province. This distribution of rental

properties is generally reflected in the origin of the applications received by the branch.

Actual expenditures for the fiscal year totalled $1,100,606. The branch collected revenues of $93,060 in arbitration filing fees during that period.

Staffing at the commencement of the reporting year was 25. Reorganization of job functions enabled a reduction of five positions during the year in the Vancouver office. The resulting staff level of 20 was comprised of 18 staff in the Vancouver office and two in the Victoria office.

Registrar of Motor Dealers

The Registrar of Motor Dealers is responsible for administering the Motor Dealer Act and regulations which provide for the licensing and bonding of motor dealers and requires them to meet certain standards.

The act requires that a person be registered to carry on business as a motor dealer. To register, a motor dealer must maintain and occupy business premises in a properly zoned area, must have a vehicle display area and must operate repair facilities or maintain a service contract with a repair outlet. As well, the premises must be identified by a sign and the applicant must post security of $5,000.

The act also provides that prescribed information regarding a motor vehicle, if known to the dealer, be disclosed to the purchaser via the purchase and sales agreement. For example, if a vehicle is known to have been a taxi, lease or rental unit or a police vehicle, if a used motor vehicle has been damaged at a cost exceeding $2,000, if the vehicle has been brought into British Columbia for resale or if it was previously registered in another jurisdiction, the purchaser must be informed. Furthermore, the fact that an odometer reading is incorrect must also be disclosed. In addition, all motor vehicles offered for sale must have a selling price affixed to them.

The Motor Dealer Licensing Branch in Victoria comprises a registrar, one motor dealer inspector, one licencing clerk and three secretary stenographers. In addition, two motor dealer inspectors work in Vancouver and one in Kelowna. Motor dealer inspectors travel throughout British Columbia to ensure dealer compliance with the act and regulations.

Branch staff process applications for registration, issue registration to successful applicants and issue yearly renewal registration to motor dealers. They also collect registration fees, maintain files and records of security posted by motor dealers and ensure that security is kept current. Staff also conduct inspections of the premises of motor dealers, their records and motor vehicles offered for sale. Consumer complaints of alleged violations of the act are investigated and prosecutions are recommended where applicable. Individuals who are carrying on the business of a motor dealer without registration are investigated by staff and prosecuted where appropriate.

The registrar conducts hearings when it is considered necessary to suspend or cancel a motor dealer's registration, or to refuse registration of a new applicant. The registrar also meets with motor dealer associations throughout the province to discuss industry problems and possible legislation changes.

During the reporting year, the branch received 1,557 calls relating directly to the motor vehicle industry and indirectly to the Motor Dealer Act. Revenue of $261,082 was generated through the collection of licence fees.

Expenditures by the branch during the reporting year totalled $372,568.

A statistical review of the branch's activities during the reporting year, with comparative statistics for previous reporting years, is provided in the appendix.

Trade Liaison

Trade Liaison maintains a continuing communications link with the business sector to inform and advise it of Ministry policies and legislation. In addition to a trade liaison officer, there is one consumer clerk who responds to consumer complaints received by letter, telephone and office visit.

Trade Liaison was originally established to perform a quasi-educational function with the business sector to bring problem areas encountered in the marketplace, in the form of consumer complaints, to their attention. In this way, complaint areas could be recognized and business policies developed to avoid practices that could result in a complaint. While Trade Liaison does not mediate disputes, it does receive them and, therefore, keeps abreast of developments in the marketplace.

Trade Liaison responds to requests from the business sector for guidelines, seminars and telephone advice on business practices affected by Ministry legislation. The branch also receives consumer complaints which identify problem areas and brings them to the attention of the affected business sector and areas of the Ministry where investigation or enforcement may be required.

Consumer protection programs enable Trade Liaison to:

- o acquaint the public with the requirements of legislation;
- o respond to complaints on the basis of legislation;
- o communicate with business to reduce areas of common complaint; and,
- o raise awareness of provisions of consumer protection legislation.

Business sector clients consist primarily of advertising media and agencies, manufacturing and retailing sectors, Better Business Bureaus and individual suppliers who may be involved in a consumer complaint.

Consumer complaint topics are varied. Some are handled within the Ministry and others referred to other appropriate agencies or ministries. Often, Trade Liaison responds with suggestions on how to handle situations so a complainant can resolve the problem or dispute on his or her own.

Consumer complaints continue to occupy a great deal of staff time. Considerable time is required to interview complainants to determine whether there is a complaint and how to handle it.

One major initiative completed by the branch during the reporting year was a campaign directed at manufacturers, advertising agencies, newspapers and motor dealers to raise awareness of the Trade Practice Act requirement for total price disclosure.

During the reporting year, Trade Liaison participated in 82 business meetings and consultations and contributed to raising businesses' awareness of Ministry legislation by responding to 1,054 written requests for information or clarification of Ministry policies.

The budget for Trade Liaison was part of that for the Executive of Consumer and Tenancy Relations. Expenditures by program area are provided in the appendix.

Consumer Education

The consumer education officer, formerly part of Public Affairs and Consumer Education, was reassigned to Consumer and Tenancy Relations in the fall of 1985.

This change reflected the Ministry's desire to concentrate its consumer education activities, largely in recognition of the increased demands arising from the core curriculum Consumer Education 9/10 and 11 courses introduced in the secondary school system in 1982.

The first priority of the consumer education officer continues to be support of the school curriculum by liaising with the Ministry of Education, school districts and teachers, both through specialty teacher organizations and individually.

The consumer education officer distributes print and audio-visual print materials, conducts teacher workshops and responds to teacher enquiries.

In addition, this position shared with others the responsibility of responding to general public enquiry traffic that continued to be received by Consumer and Tenancy Relations staff.

Registrar of Cemeteries

The Registrar of Cemeteries is responsible for administering the Cemetery Act, the Cemetery (Municipal) Act, the Cemetery (Company) Act, the Cremation Act and the Funeral Plan Act.

The Cemetery Act gives the Minister of Consumer and Corporate Affairs general jurisdiction over all cemeteries, columbaria and crematoria in the province. The Minister may also make regulations governing these services, subject to the approval of the Lieutenant-Governor in Council.

Specifically, the Minister may make regulations:

- o respecting the burial, disinterment, removal and disposal of the bodies or other remains of deceased persons;
- o respecting the plans, survey, arrangement, condition, care, sale and conveyancing of lots, plots and other grounds and property of cemeteries and columbaria;
- o establishing minimum requirements for the upkeep, condition and care of lots, plots or other grounds or property of cemeteries and columbaria;
- o respecting the erection, arrangement and removal of tombs, vaults, monuments, gravestones, markers, copings, fences, hedges, shrubs, plants and trees in cemeteries;
- o respecting charges for the sale and care of lots and plots and for authorizations and services incidental to the use of lots and plots and charges for cremation;
- o respecting the collection, amounts to be collected and investment of funds for perpetual care and maintenance of cemeteries and columbaria;
- o requiring the filing or registration of plans of cemeteries, columbaria and crematoria, prescribing the contents and details of such plans and requiring that burials, entombments, storage of cremated remains and cremations be made in accordance with such plans;
- o respecting the administration, use, control and disposition of cemeteries in which no further burials are to be made and respecting the administration and use of the income from care funds established with respect thereto, and respecting the exhumation, disinterment and reinterment of remains; and,
- o exempting a grave or graves from any provision of the Act or the regulations.

The current cemetery legislation is explicit in determining how a new cemetery, columbarium, mausoleum or crematorium may be established. A Certificate of Public Interest must be obtained from the Minister, after meeting stringent requirements, before development of a cemetery, columbarium or mausoleum commences. Development of a crematorium must also meet stringent requirements before the Minister issues a Certificate of Public Interest. Crematoria are licensed annually. A $50 licence fee is charged.

In 1985-86 there were 714 registered cemeteries in B.C.

The law requires that all cemeteries be maintained to an acceptable standard. All commercial and municipal cemeteries are further required to maintain a

perpetual care fund, which represents 25 per cent of the price for the sale of all grave spaces in each of the cemeteries, along with a $10 minimum fee for each memorial marker installed.

These funds are regarded as trust money in the name of the operators. The principal cannot be touched without the permission of the Minister of Consumer and Corporate Affairs. Any monies earned from the principal may, however, be used for care and maintenance of the individual cemetery.

The act also regulates closings of cemeteries and their conversion to other uses, such as parks.

The following requirements are necessary to establish and operate a crematorium:

- o the plans and site must be approved by the Registrar of Cemeteries;
- o the crematorium must be certified to be complete and built in accordance with such approval and certified to be properly equipped for the disposal of human remains;
- o a certificate must be granted by the Minister authorizing the crematorium to be used for burning human remains; and,
- o a licence must be obtained, by the payment of a licence fee to the Minister of Finance.

The Minister may suspend or cancel any licence for causes satisfactory to him.

As noted above, crematoria are also subject to regulation in certain respects under the Cemetery Act. The Minister must certify, before a crematorium can be established or enlarged, that such establishment or enlargement is in the public interest. The Minister is given jurisdiction over crematoria and (with the approval of the Lieutenant-Governor in Council) may make regulations (notwithstanding the provisions of the Cremation Act):

- o with respect to charges for cremation; and,
- o requiring the filing or registration of plans of crematoria and requiring that burials, storage of cremated remains and cremations be made in accordance with such plans.

Regulations may also be made regarding the "burial, disinterment, removal and disposal of the bodies or other remains of deceased persons" generally.

Many smaller cemeteries in the province are on private land and are maintained by trustees appointed under authority of the Cemetery Act or the Trustee Act. There are also many cemeteries on Crown Land. Some are abandoned and others are operated by cemetery boards which are appointed under the Cemetery Act.

On March 1, 1982, the Registrar of Cemeteries assumed responsibility for the Funeral Plan Act. At that time, a number of operators selling pre-paid funerals were not registered with the Ministry as required by the legislation and a number of operators who were authorized to sell pre-paid funerals had not been audited for a number of years. This situation was immediately rectified and all sellers of pre-paid plans in British Columbia now have approval of the Minister. In view of the potential for abuse in this field, these plans are audited annually.

The Registrar of Cemeteries is assisted by two cemeteries officers and a secretary stenographer.

In order to perform inspections, including maintenance standards and approval of new burial areas of cemeteries, mausolea, columbaria and crematoria, as well as the many audits of cemetery care funds and pre-paid funeral plans, division staff travelled 15,621 kilometers by auto and 2,000 kilometers by air during the reporting year to various points throughout British Columbia. During their travels, cemeteries officers also try to encourage active management of the many old abandoned cemeteries in the province.

Reports and statistics are maintained on each registered cemetery as well as the listing of all funeral homes. Annual reports are also filed with the division each year from all publicly operated cemeteries. Financial statements are required from all commercial and municipal cemeteries, as well as those funeral homes that sell pre-paid funeral plans. These documents are monitored for correctness, as well as discrepancies in land development, contributions to trust funds and poor operational management. Where problems arise, the division attempts to rectify the situation. All consumer complaints dealing with both the funeral and cemetery industry are also investigated by the division.

The division maintains regular contact with the Cemetery Association of British Columbia, various members of the B.C. Funeral Service Association, a number of consumer groups regarding concerns in the two industries, as well as financial institutions with respect to legislative requirements for trusting of monies required by the cemetery and funeral industries.

Corporate, Central and Mobile Home Registry

The Corporate, Central and Mobile Home Registry administers three programs.

The Corporate Registry is responsible for all matters respecting corporations, societies and partnerships. It forms, incorporates and registers companies and files all documents pertaining to them. The registry conducts searches for the public on all corporations.

The Central Registry is responsible for examination and registration of encumbrance documents filed against personal property where the debtor is a non-corporate debtor or the goods secured include a motor vehicle. The registry provides verification of registrations to all registering parties and conducts searches for information covering active registrations of encumbrances or liens against non-corporate debtors and motor vehicles.

The Mobile Home Registry maintains files of all mobile homes registered in British Columbia with the exception of those exempted by regulations or Registrar's order. It approves and issues transport permits for relocation, examines, registers and records all transfers of ownership, security instruments, discharges and other documentation relating to mobile homes registered in the province. The registry provides search certificates showing current ownership, location and any encumbrances registered with respect to a particular mobile home.

The Corporate, Central and Mobile Home Registry is responsible for the following legislation:

Company Act
Society Act
Partnership Act
Chattel Mortgage Act
Book Accounts Assignment Act
Sale of Goods on Condition Act
Repairers Lien Act
Mobile Home Act
Company Clauses Act
Trust Company Act
Cooperative Association Act
Library Associations Act
Savings and Loan Associations Act
Cemetery Company Act
352 Private Act Companies

<u>Corporate Registry</u>

An individual who wishes to conduct business in British Columbia, or with the province's trading partners, may choose from among three alternatives.

<u>Sole Proprietorship</u>

This is the simplest form of business organization. It is suitable for a single individual who intends to carry on a business with the aid of employees. It is not suitable if others expect to participate in ownership.

<u>Partnership</u>

If two or more individuals or corporations decide to go into business together, they may choose a partnership. Partnership is a less complex business organization. In some instances, a partnership may provide tax advantages. The major disadvantage some see in a partnership is the liabilities it imposes upon the partners. Members of the public who wish to search a partnership can access names and addresses through the Corporate Registry.

Corporation

The corporation is the most favoured method of doing business. It affords continuity of existence, limited liability of shareholders and the ability to have many shareholders participate in ownership and protection of the corporate name. The public may search corporate files to learn:

- name of corporation;
- date of incorporation or registration;
- date of last annual report;
- registered and records offices or head office and attorneys for extraprovincial companies;
- current directors and officers;
- name changes;
- dates of dissolution, amalgamation and continuation; and,
- whether encumbrances, liquidation or receivership documents have been filed.

The Corporate Registry creates and regulates companies, partnerships and corporations.

British Columbia corporations can not conclude a financial closing anywhere, without having a final search conducted immediately prior to payment. Multi-million dollar closings are a daily occurrence. Total encumbrances filed on an average day exceed $70,000,000 in the Corporate Registry.

Specifically, Corporate Registry staff:

o administer all matters relating to the filing of corporate documents under the Company Act and all related statutes; create and maintain complete corporate files on all British Columbia and extraprovincial companies, societies, co-operatives, trust companies, partnerships, library associations, private acts, railroad and tramway companies;

o process filings of all reports and required notices;

o file encumbrances and maintain an encumbrance register for all companies, trust companies, societies and cooperatives; and,

o provide current information from all files to law enforcement agencies, government departments, members of the legal and accounting professions, financial institutions and the public by telex, telephone, rapifax, remote access, over-the-counter and written request.

During the reporting year, 16,180 British Columbia companies were incorporated; 259,797 documents were examined and filed; 284,110 searches were conducted; 73,887 encumbrances were examined and filed; 89,842 name searches were completed; and 8,175 new partnerships were registered. In addition, 33,000 corporations were dissolved or removed from the register.

The Central Registry

Central Registry staff:

o examine and register all encumbrances against personal property filed pursuant to the Chattel Mortgage Act; Sale of Goods on Condition Act; Book Accounts Assignment Act and Repairers Lien Act; where the debtor is a non-corporate debtor or where the goods secured include a motor vehicle; and,

o provide information to financial institutions, law firms, businesses, motor vehicle

dealers and the public on the above registered documents by telephone, counter, telex, rapifax, remote access and written response.

Encumbrances filed in an average day exceed $20,000,000.

During the reporting year, the Central Registry conducted 329,568 searches and registered 400,607 documents.

Mobile Home Registry

Mobile Home Registry staff:

- initially register all mobile homes except those exempted by regulations or Registrar's order;
- examine and register all transfers of ownership, security instruments and their discharges;
- approve and authorize the issuance of transport permits;
- issue search certificates of ownership and notices and certified true copies of registered documents;
- assist in identifying the number of mobile homes to be assessed for tax purposes; and,
- represent the registry on the Mobile Home Advisory Committee.

During the reporting year, 1,142 new mobile homes, 9,642 transfers of ownership and 9,138 security instruments were registered, 4,395 transport permits were issued, 19,230 searches were conducted and 17,196 copies of documents were processed.

The Mobile Home Registry's main clients are manufacturers of mobile homes, dealers, consumers, financial institutions, owners, government agents, prospective purchasers and lenders and the general public.

Statistical Overview

From a statistical point of view, the operations of the combined registries are diverse.

There are approximately 200,000 active corporations which are required to file various documents and 185,000 historical corporations. There are 60,000 active partnerships registered. During the reporting year, the number of corporate files searched totalled 284,000; there were 260,000 general filings and 200,000 pages of photocopying. There are 60,000 mobile homes registered and there were 19,000 searches at that registry. Corresponding figures for previous years can be found in the appendix.

All corporate or partnership entities are client groups of the registries. Law firms, financial institutions, chartered accountants, notaries, law enforcement authorities, government agencies in and outside of British Columbia, paralegals and regulatory bodies all have dealings with the registries.

Organizations which are incorporated under the Society Act and Cooperative Association Act are also clients of the registry.

These organizations include hospitals, retail organizations and political parties as well as a range of professional, charitable, religious, hobby, social and service groups. There are 12,000 active societies registered in the province.

There is no type of business or organization which does not have a file in the registry. The

above groups are either incorporated, licensed, registered or regulated pursuant to the requirements in the statutes affecting these groups.

Initiatives undertaken in the registries during the reporting year include:

- o implementation of a new on-line computer system for Central Registry to provide faster and more accurate search responses and automated verifications of registrations enabling registering parties to ensure accuracy and detail of registered documents;

- o introduction of Statement of Particulars to accompany security instruments filed under relevant legislation, summarizing information from the accompanying document for faster and more accurate recording;

- o addition of Part 9.1 to the Society Act permitting various groups to apply for occupational designation;

- o review of the organization of the registry resulting in changes being made towards more effective management;

- o creation of a computer index of mobile homes for easier referencing;

- o passage of amendments to various acts to improve administrative office procedures and to keep current with business activity in the province; and,

- o a forms review project undertaken to reduce operating costs, streamline processing and ensure consistency with processing requirements; the number of forms used in the registries office was reduced from 331 to 191.

Flexibility of the computer system, increased efficiency of staff, cross-training of staff to serve as back-ups in other registries and computer training facilitated quick internal changes to meet increasing or fluctuating needs.

Shorter turnaround period for filing and more timely and accurate information through telephone, rapifax and remote terminals increased client service.

In 1985-86, the Corporate, Central and Mobile Home Registry employed a total of 154 full-time equivalents, 103 allocated to the Corporate Registry, 31 to Central Registry and 29 to Mobile Home Registry.

Expenditures during the reporting year totalled $5,443,828.

Rejected Documents

Of the documents received, the following figures indicate percentages returned for correction:

Corporate Registry:

Examining	10.9%
Societies	19.6%
Partnerships	30.2%
Central Registry	12.0%
Mobile Home Registry	16.6%

The percentages vary depending upon clientele; for example, fairly low rejection ratios for the legal profession as reflected in the examining figure and high for individuals as shown in the partnership figure. The registry anticipates lowering all percentage figures as a result of its forms program and its continued liaison with client groups.

Future Activity

The registries will continue to monitor their forms. A statistics review project was also to be initiated to centralize and rationalize statistical functions. A revenue review project will be started to ensure revenue collection procedures are effective, efficient and in compliance with the Financial Administration Act. Automated systems will continue to be monitored, updated and improved to incorporate new technology and systems available to improve and enhance the variety of programs and services delivered.

Superintendent of Brokers, Insurance and Real Estate

An efficient capital market for securities -- stocks, bonds, commodities, investments -- helps direct the flow of new capital towards worthwhile enterprises. One of the major goals of securities regulation is to foster an efficient capital market which enjoys a full measure of public confidence.

The Superintendent of Brokers, Insurance and Real Estate ensures an adequate standard of disclosure is set regarding issuers whose securities trade in the capital market so an investor can make an informed decision whether to buy, hold or sell a security. The superintendent is similarly concerned about adequate disclosure to prospective purchasers in real estate developments.

In addition, with and through various self-regulatory organizations, the superintendent oversees the proper registration of securities, insurance and real estate agents and their agency companies.

Securities

The Superintendent of Brokers receives his authority from the Securities Act, Mortgage Brokers Act, Investment Contract Act and Commodity Contract Act.

The superintendent is concerned with enterprises whose securities trade publicly in the capital market. Many organizations, such as limited companies, societies and partnerships, issue non-publicly traded securities to a limited number of subscribers.

If limited companies are involved, the Company Act and the Securities Act distinguish a reporting company as a company which has made a public offering of securities.

While both reporting and non-reporting entities have certain statutory reporting requirements, a reporting company's obligations are much more extensive and subject to greater scrutiny.

Companies wishing to go public must file a prospectus including applicable fees with the Superintendent of Brokers for examination. Simply, a prospectus is a detailed document describing a company, its holdings, its capitalization, its plans for the future, how it plans to use proceeds from the offering of shares and other such matters.

The prospectus must take into account various laws, policies and notices of the superintendent and meet the test of full, true and plain disclosure.

The superintendent's staff will send a letter detailing any deficiencies in the prospectus. Assuming these deficiencies and others which may arise are resolved, and provided the prospectus is otherwise acceptable, the office will issue a receipt for it.

Once a receipt has been issued, the company attains reporting status and may proceed to sell its shares through authorized persons and in the quantities specified in the prospectus. Normally the seller is a brokerage house, but the company may also be qualified to sell through its directors and registered securities salesmen if the appropriate filings are made and accepted.

A reporting company's privilege to sell shares to the public also carries the statutory obligation to maintain an up-to-date and accurate portrait of the company on the public record. This involves filings with the Registrar of Companies, the

superintendent's office and, if the company becomes listed, with the stock exchanges on which it is listed.

Filings required include:

- o audited annual and unaudited interim financial statements (also to be sent to shareholders);
- o quarterly reports (quarterly reports are required only from "development" companies listed on the Vancouver Stock Exchange and are required before acceptance of their prospectus):
- o insider reports;
- o information circulars and other material distributed to shareholders by a person or company in connection with a meeting of shareholders;
- o takeover bid materials; and,
- o reports of material changes in the affairs of the company.

Once a prospectus receipt has been issued and the minimum number of shares authorized by the prospectus has been sold, the company may apply for a listing with a stock exchange. In the case of the Vancouver Stock Exchange, procedures are now in place whereby a company can obtain a conditional listing on its first prospectus.

Both the superintendent's office and the stock exchanges have certain requirements that an applicant must meet to receive a listing and to maintain the listing. Familiarity with the exchange's rules and bylaws and the superintendent's policies and applicable legislation is crucial.

A listed company, particularly a company engaged in exploration and development of natural resources, may require funding by issuing additional securities. An offer of securities may be made to the public by a prospectus or statement of material facts, to existing shareholders by a rights offering, or to a restricted number of subscribers by a private placement. All such offerings involve input and acceptance from the office of the superintendent according to requirements of legislation and policies.

The purpose of regulating the securities industry is to ensure the public is protected, the securities market is efficient and market growth is encouraged. Investors must be given full, true and plain disclosure of facts relating to offerings of securities to the public in British Columbia. Issuers are further required to give adequate disclosure of material, current information either favourable or unfavourable, by complying with statutory filing requirements and policy disclosure rules. Specific information about the content of prospectuses is available on request.

If companies or individuals contravene the law, the superintendent has power to prevent them from doing business, to freeze their assets in British Columbia and to lay charges under the Securities Act or Criminal Code.

The superintendent's involvement with the securities market includes dealings with investors, lawyers, accountants, self-regulating organizations, such as the Vancouver Stock Exchange and the Pacific District of the Investment Dealers Association of Canada, administrators from other provinces and regulatory officials in the United States.

The Securities Act also requires the registration of individuals and firms engaged in the sale of securities.

The superintendent or the self-regulatory organizations approve registration and issue licences to registrants with good character and satisfactory education and experience. If accepted, a licence to trade in securities will be issued for a two-year period. It can, however, be revoked at any time by the superintendent for breach of registration conditions or for impropriety demonstrated by a client complaint.

A total of 2,544 registrations were processed during the reporting year. As at March 31, 1986 a total of 3,621 individuals or firms were registered with the superintendent to trade in securities.

Various fiscal measures implemented by the federal government through amendments to income tax legislation have greatly increased the number of private placements made by issuers.

Offerings involving funding of complex technological developments continue to increase in number. Although this type of offering and issuer does not yet dominate the local capital market, the superintendent is commissioned to take innovative steps to ensure adequate regulation is in place.

For the year ended March 31, 1986, slightly over $16.5 billion of investment offerings were processed by the superintendent's office. These offerings included local and national prospectuses, statements of material facts through the Vancouver Stock Exchange, rights offerings to shareholders and private placements to sophisticated investors. In addition, the value of secondary trading through the Vancouver Stock Exchange was approximately $2.7 billion in 1985.

Work continued on development of a new Securities Act and regulations for introduction in the Legislature. The act was drafted to provide better protection for investors and a more efficient regulatory structure for raising capital in British Columbia. It provides for the creation of a British Columbia Securities Commission which will establish policy and review decisions of the superintendent. The act is expected to be in effect in early 1987.

A new Commodity Contract Act and regulations were put into effect on February 1, 1986. The act provides for registration of persons who deal with the public in commodity contract trading, an approval process for types of contracts used in those trades, and adequate protection for investors in commodities markets.

The superintendent also administers the Mortgage Brokers Act, which controls, through registration, persons practicing in this field. The act also requires that every person lending money on a mortgage to which the act applies, shall furnish a disclosure statement to the borrower at or before the time the mortgage is signed.

Among other things, this statement discloses the effective annual rate of interest to be paid by the borrower. A total of 366 registrations were processed under this act for the reporting year and a total of 505 persons were registered as at March 31, 1986.

Insurance and Real Estate

The Superintendent of Insurance and Real Estate administers the Insurance Act, Insurance (Marine) Act, Real Estate Act and Condominium Act.

Insurance and real estate are two distinct areas of regulatory responsibility but with similar goals. Both require licensing and regulation of agents, salesmen and their agency companies to protect consumers from unscrupulous real estate or insurance salesmen.

The Ministry's major regulatory goals are:

- to protect against unscrupulous business people using insurance and real estate industries to defraud the public; and,

- to protect the public against losses caused by insolvency of licensed insurance companies, insurance agents and real estate agents.

During the reporting year, there were 9,173 insurance agents and salesmen, 11,447 real estate agents and salesmen licensed throughout the province.

All insurance companies operating in the province must be licensed. There are 130 life companies and 240 other-than-life companies. Of these, 15 have head offices in British Columbia.

Accounts of all real estate agents are monitored annually and all insurance companies are required to file financial reports with the Superintendent of Insurance. Insurance agents under contract with insurers are not inspected except where evidence of a problem exists.

Considerable time is spent investigating complaints of the public. During the reporting year, 88 complaints against insurers and 157 complaints against insurance agents were investigated.

Complaints against real estate agents are referred to the British Columbia Real Estate Council. Any hearings resulting from the complaints are carried out by the Council. Recommendations are then referred to the superintendent, who makes the final decision and imposes disciplinary action if necessary. Plans are in place for the superintendent to also delegate the final decision-making process to the council by September, 1986. All sentences can be appealed to the Commercial Appeals Commission. Of 33 hearings held, four decisions were appealed. One appeal was partly successful, resulting in reduction of a licence suspension.

Another important function of the superintendent is vetting of prospectuses filed by developers under the Real Estate Act and the Condominium Act. The prospectus states precisely what is included in the sale and what is not. A total of 666 prospectuses were vetted and 336 exemptions were granted during the reporting year.

Effective December, 1985, the Real Estate Act was amended to permit developers to file disclosure statements with the superintendent in place of prospectuses. Disclosure statements may be used for all land subdivisions and strata title developments with the exception of amendments to previously approved prospectuses and offshore and time-share developments. Disclosure statements are

only filed with the superintendent and, therefore, have not been approved. Developers may commence selling properties immediately upon filing; however, improved rescission rights plus increased penalties ($100,000 fine and/or five years less a day imprisonment) may be imposed upon developers who fail to make full disclosure on developments.

This amendment has resulted in a reduction of staff work load and more timely service to developers.

Condominiums are governed by a special set of rules as set out in the Condominium Act.

The Condominium Act provides for a system of property ownership in which a single parcel of land may be subdivided into individual strata lots, each registered on a separate title, while common property, such as hallways, a swimming pool or parking lot, as well as the land and structure under and surrounding the strata lots, is owned in common by all of the strata lot owners.

The act is administered by the Superintendent of Real Estate who is responsible for such matters as approval of by-law changes prior to creation of a condominium, approval of schedules of unit entitlement, interest upon destruction, voting rights on strata plans and filings by developers required under the Real Estate Act relating to the offering of condominiums for sale to the public.

Corporate Investigations Branch

Corporate Investigations was established in 1966 to investigate violations in the corporate industry, primarily those related to the Securities Act. The function of the branch has evolved to include responsibility for development and enforcement of a comprehensive investigation program for all of Corporate and Financial Relations.

Responsibility includes enforcing compliance with the acts and policies administered by the office of the Superintendent of Brokers and Real Estate, Superintendent of Financial Institutions, Registrar of Companies, Registrar General and Registrar of Mobile Homes. In addition, Corporate Investigations inspects and conducts financial filings reviews under the Real Estate and Mortgage Brokers Acts and provides audit services necessary to investigations.

The branch also makes decisions and recommendations regarding enforcement alternatives. A strong preventative, detection and enforcement program is delivered to ensure protection of the investment community and the public.

Enforcement and inspection powers include the ability to freeze accounts and assets, appoint receivers, suspend or cancel licences and use search warrants for the seizure of evidence.

The following statutes are administered by the branch:

Commodity Contract Act
Mobile Home Act
Company Act
Mortgage Brokers Act
Condominium Act
Real Estate Act
Cooperative Association Act
Securities Act
Credit Union Act
Society Act
Criminal Code of Canada
Insurance Act
Trust Company Act
Insurance (Marine) Act
Investment Contract Act

By analyzing the nature and frequency of violations, the branch identifies patterns, trends and potential problem areas and makes recommendations to programs and the assistant deputy minister on legislative amendments and policy changes.

The on-going inspection/audit program under the Real Estate Act includes examining large companies for compliance with the act and regulations and for financial stability. The program is carried out with mortgage broker companies and real estate agencies. Financial statements are also reviewed under the Real Estate and Mortgage Brokers Acts and recommendations are made to the appropriate superintendent and registrar regarding licensing. Audits of other corporate programs can be conducted on request.

The branch liaises and works in conjunction with senior officials of local, provincial, national and international regulatory bodies such as the Royal Canadian Mounted Police, Vancouver and Toronto Stock Exchanges, Real Estate Councils, U.S. Securities Exchange Commission, Superintendent of Commodities Hong Kong and Lloyds of London. These contacts are vital for information and assist in the early identification of potential criminal violations. The branch also takes part in the brokers education programs which are sponsored by the Investment Dealers Association of Canada, by attending seminars and sitting on panel discussions.

It is essential that close liaison with law enforcement agencies be maintained and investigative techniques be constantly updated. For example, the branch accesses advanced computerized intelligence networks and keeps in touch with industry and business trends, particularly in securities. All are essential to enable the branch to identify, and where possible to prevent, abuses of the regulatory system.

During the reporting year, the branch:

- o saved the investing public approximately $145 million by preventative investigations;

- o laid the following charges as a result of branch investigations or joint investigations with the police:

  - 22 individuals, 40 counts fraud
  - nine individuals, 60 counts theft
  - two individuals, one count market manipulation
  - two individuals, two counts possession of stolen property
  - one individual, one count forgery
  - one individual, two counts uttering a forged documents
  - one individual, one count fraudulent personation
  - one individual, one count arson
  - one individual, one count mischief
  - eight individuals, one count lottery
  - one individual, one count secret commissions

- o investigated approximately 2,400 files, including reviews of financial statements;

- o investigated and laid one count of theft, one count of fraud and one count of market manipulation regarding Beauford Resources Ltd., also known as "Black Friday" at the Vancouver Stock Exchange;

- o assisted Registrar of Travel in investigation of Holiday Condos Ltd.; and,

- o prevented three commodity brokers (Yearcome Commodities, King Lung, First Trading Group) from becoming established in British Columbia by detecting and stopping their operation in a short period of time. As a result of the action taken, criminal charges were laid.

New initiatives for the branch are:

- o to continue to develop programs which will prevent losses to the investing public;

- o to conduct training courses in various areas of Ministry responsibility to increase staff knowledge and efficiency, i.e., commodity contracts course;

- o to develop sophisticated computer programs to provide early warning detection of possible financial failures;

- o to establish a preventive market manipulation program with the Vancouver Stock Exchange and the Royal Canadian Mounted Police, Commercial Crime/Market Manipulation Section;

- o to maintain and introduce new and innovative management controls and systems to increase productivity; and,

- o to develop action plans to complete files in a more timely manner.

Superintendent of Credit Unions, Co-operatives and Trust Companies

The Office of the Superintendent of Credit Unions, Co-operatives and Trust Companies is responsible for incorporating, regulating and examining credit unions, registering co-operatives, and regulating and inspecting all trust companies in British Columbia.

It does so under legislative authority of the Credit Union Act and regulations, the Trust Company Act and the Cooperative Association Act.

The primary goal is to protect the public's savings and deposits. This goal is balanced with the need to encourage, facilitate and maintain confidence in financial institution operations.

Credit Unions

The Credit Union Act sets out provisions to govern the establishment and operation of credit unions in British Columbia.

Credit unions are financial co-operatives which enable a group of people to join together for their mutual financial advantage.

The members, governed by their own set of rules, are required to buy qualifying shares. By making deposits they provide funds which may be loaned to other members.

The act outlines purposes of credit unions as follows:

- to raise money by subscription and deposits from the members and by other means permitted by the act;
- to make loans and investments permitted by the act;
- to provide housing for use in whole or in part by members;
- to provide safekeeping facilities and services for personal property;
- to provide services for the collection and payment of money from and on behalf of its members;
- to maintain, cause to be maintained, or to participate in programs of life insurance, disability insurance, accidental death insurance, sickness and accident insurance, or any combination of them, with respect to money invested in, on deposit with, or lent by a credit union;
- to provide or arrange for annuities, savings plans, mutual funds and similar arrangements for provident and productive purposes for its members and in that connection, to receive periodic payments or contributions;
- to issue investment contracts to its members providing for the payments to or to the credit of the holder of the contract of a fixed or determinable amount at maturity and to receive periodic payments or contributions under the contracts;
- to act as trustee for its members, public bodies, the provincial government, federal government and the Crown in any other right and other persons or classes of persons as the regulations designate in respect of annuities, plans, funds, contracts or other arrangements;
- to provide programs and services for its members as in the opinion of the directors may

assist the members to meet their financial or social needs;

- to act as agent for its members, other credit unions, public bodies, the provincial or federal government; and,

- to provide other services and perform other functions as permitted by the act.

Over 200 legislative provisions in the act and regulations define how credit unions are to be operated, outline the rights and responsibilities of credit union members, directors, officers and auditors and spell out the relationship of credit unions to the superintendent and the B.C. Central Credit Union.

From a regulatory perspective, the Superintendent of Credit Unions is responsible for chartering credit unions, and in particular, for the system of monitoring and inspection of credit unions. Monitoring performance includes the establishment and ongoing operation of an early warning system to identify potential problems, and the application of standards to test and ensure solvency in individual credit unions as well as the system as a whole. The superintendent may initiate investigations and/or hearings and is responsible for ensuring any necessary disciplinary or rehabilitative action is taken.

In performing this role, the superintendent can maintain public confidence in credit unions. The superintendent is responsible for formulation and implementation of policies, procedures, goals and action plans in setting the overall direction of credit union regulation of British Columbia.

During the reporting year, the number of credit unions in B.C. was 134. Total credit union assets as of March 31, 1986 were $6.3 billion, a slight increase over 1985.

Retained earnings at the end of the reporting period amounted to $97.4 million and liquidity reserves averaged 14.2 per cent.

Inspectors with the superintendent's office review the books and financial records of each credit union to ensure compliance with the act and to assess whether they are operating in a prudent manner. Where the superintendent is not satisfied that a credit union is operating in a financially sound manner, he shall order it placed under the supervision of the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC). The CUDIC is a body created by the provincial government to safeguard deposits and non-equity investments of all credit union members in British Columbia. Its general powers include:

- maintaining the Provincial Credit Union Guarantee Fund;

- helping credit unions solve financial problems;

- helping credit unions improve their financial operations; and,

- facilitating the merger of a weak credit union into a union with a stronger, larger entity.

All credit unions were inspected during the year either by inspectors from the office of the superintendent or by the Credit Union Deposit Insurance Corporation of British Columbia. As of March 31, 1986, there were 26 credit unions under supervision.

Assets of the Provincial Credit Union Guarantee Fund, which guarantees all deposits and non-equity shares of credit union members, is in excess of $70 million.

British Columbia has four of the largest credit unions in Canada, (excluding Quebec). These include Vancouver City Savings Credit Union with assets of $1,424,563,000 as at March 31, 1986; Surrey Credit Union with assets of $473,991,000, Westcoast Savings Credit Union with assets of $390,029,000 and Richmond Savings Credit Union with assets of $382,889,000.

The total assets of the credit union system in British Columbia represent approximately one-third of the assets Canada-wide (excluding the Caisse Populaires system of credit unions in Quebec).

Co-operatives

The superintendent is also responsible for incorporating co-operatives under the Cooperative Association Act.

There were just under 600 co-operatives operating in British Columbia during the reporting year.

A co-operative is an association of people who own an enterprise to provide themselves with a service. The control of the association rests equally with all members and its gains are distributed to the members in proportion to the use they make of its services.

Co-operatives consist of people who have combined their efforts and available resources to provide for themselves the best possible services at the lowest possible cost.

Subject to the approval of the superintendent, any five or more persons may join together to form a co-operative.

The philosophy is that people are the decisive factor in a co-operative enterprise. The people, or members, build it, own it, operate it and, therefore, benefit from its activities.

Major categories of co-operatives are as follows:

Housing:

Co-operatives build and own projects which may range from single family dwellings to apartments or townhouses.

There were 249 housing co-ops in British Columbia at the end of the reporting year.

Service:

The objective of a service co-operative is to improve the quality, price or availability of a service required by a member. Services supplied by co-operatives include transportation, radio and cable television.

Fifty-one service co-operatives were working in the province during the reporting year.

Consumer:

Members of a co-operative own the assets. When members "buy" from the co-operative, they take personal ownership of inventory which they previously co-operatively owned as members. Consumer co-operatives in British Columbia purchase goods mainly from co-operative wholesalers.

There were 132 consumer co-operatives in British Columbia in 1985-86.

Producer:

Co-operatives which operate businesses for the processing and marketing of goods produced or harvested by their members are known as producer co-operatives. Examples include a fish processing and marketing co-operative or a dairy co-operative.

Seventy-three such co-operatives operated in B.C. during the reporting year.

Workers:

Workers co-operatives enable members to create their own jobs by acting in the dual role of owner and employee.

There were 25 workers co-operatives in British Columbia in 1985-86.

A more detailed breakdown of co-operative by type is provided in the appendix.

The organizational structure of a co-operative is defined in the act to recognize members ownership of the enterprise. By exercising democratic rights that the structure permits, members exercise control over the co-operative.

The members elect a board of directors responsible for general operations and policy administration. The directors may choose to hire a manager, who in turn may hire staff to operate the co-operative.

Any business enterprise needs capital. Start-up capital for co-operatives is traditionally supplied by membership because, as a requirement for membership, patrons must buy shares.

A member may hold any number of shares in the association. If the capital raised by way of issuing shares is not sufficient, loans or grants may be available. Government agencies are another possible source of assistance. Credit unions may also be willing to provide loans since they too are co-operatives.

In Canada it is necessary to incorporate in the province where the co-operative's head office is located. Incorporations are approved by the superintendent, who processes all applications for new co-operative associations.

When the name of the co-operative has been approved and the incorporation documents have been processed, a certificate is sent confirming incorporation. Once incorporated, an annual report must be filed. It must include the list of directors and officers, financial statements and other vital information pertaining to the co-operative.

The duties of the superintendent with respect to co-operatives are as follows:

- to examine the memorandum and rules of all proposed associations desiring incorporation;
- to inquire into all the conditions under which any proposed association will operate;
- to confer with and advise the promoters of any association as to the formation and organization of the association and to approve or refuse any memorandum and rules for registration, having regard to the result of the inquiries made; and,
- to exercise powers and duties to facilitate carrying on of enterprises as to organization,

operation and administration on a co-operative basis, at the same time protecting the public interest.

During the reporting year, 31 new co-operatives were incorporated including 20 housing co-operatives, one consumer co-operative, two producer co-operatives, one service co-operative, three workers co-operatives and three manufacturing co-operatives. One extra-provincial registration was approved by the superintendent.

In addition, one consumer co-operative was restored providing a net gain for the year of 27 co-operatives.

Staff in the superintendent's office take an active part in trying to solve problems brought on by a lack of understanding of the co-operative philosophy. Many members of various boards of co-operatives often find themselves in disputes arising out of a lack of education in co-operative methods and principles.

Housing co-operatives, because of their special nature and the role they play in the lives of the members, give rise to numerous complaints centering around disputes over maintenance, refunds of shares and actions by boards. Staff were able to assist in most cases to the mutual satisfaction of the parties.

Trust Companies

Trust companies, like other financial institutions, are in business to provide financial services to clients.

The traditional domain of trust companies is the provision of trustee, real estate and financial intermediary services. As such, trust companies manage assets for individuals and for corporations.

Trust companies accept deposits from the public and invest proceeds in mortgages, securities and other loans.

In British Columbia, and in other provinces, trust companies are closely regulated. Because they accept deposits from the public, they are subject to restrictions on borrowing and lending powers as well as on the types of investments which can be made.

As of the end of the reporting year, there were 119 trust company branches in operation in British Columbia, two less than during the previous reporting year.

The Trust Company Act states:

- requirements must be met by the company before registration is granted. The superintendent must be satisfied that:
  - it is expedient and for the convenience and advantage of the public for the company to operate;
  - the company is solvent and able to meet its obligations;
  - the company has a subscribed capital of at least $1,000,000 on which there has been actually paid up and is unimpaired at least $100,000 with $10,000 in addition for each office, branch or agency operated or proposed to be operated by the company;
  - the company and its directors and managers have the qualifications necessary to perform the duties of a trust company, so as to command the confidence of the public;

- the company has published its intent to apply for registration and shall state the proposed location of the registered or head office of the company; and,

- if it is going to accept public money on deposit, the company has obtained a policy of deposit insurance.

o annual reports detailing administrative and financial information on the status of the trust company must be filed;

o a deposit of not less than $25,000 and not more than $200,000 must be held by the Minister as security for its depositors and creditors;

o a trust company must properly manage and invest trust funds, money received on deposit with the company and investments;

o a trust company must keep records of investment and file annual reports including categories of information which must be included; and,

o reports must be made to the Attorney General and the Minister where the superintendent believes the company has obtained registration fraudulently, has violated the law or is conducting business in an unsafe or unauthorized manner that is not in the public interest.

Twenty-three main offices and 28 branch offices of trust companies were inspected during the reporting year.

Assets under administration by trust companies in British Columbia totalled $11 billion in estate, trust and agency funds, an increase of 14.6 per cent over the previous year.

Demand deposits from the public totalled $790.3 million, an increase of 14.6 per cent over the previous reporting year.

Guaranteed investment certificates and term deposits amounted to $2.5 billion, which represents an increase of 10 per cent over the previous year.

Demand and term deposits in total amounted to $3.3 billion.

General Administration

In exercising regulatory responsibility, the Superintendent of Credit Unions, Co-operatives and Trust Companies acts as a visible link between government and the regulated financial institutions. He actively communicates with chief financial officers and industry organizations, balancing the institution's interests against those of the general public and stimulates discussion on issues of concern to the regulated industries, the government, consumer and interest groups.

The superintendent maintains close liaison with his counterparts across the country at the federal and provincial levels, as well as those in the United States.

In 1985-86, 23 full-time equivalents were employed in the superintendent's office, including a deputy superintendent, five support staff, eleven credit union inspectors, three trust company inspectors and one co-operative officer. There was one vacancy. Expenditures for the office were $996,874. Revenue collections amounted to approximately $649,063.

Additional statistical information can be found in the appendix.

LIQUOR CONTROL AND LICENSING

Liquor Control and Licensing Branch

Under the authority of the Liquor Control and Licensing Act and regulations, the branch is responsible for:

- o issuing and transferring licences for the sale of liquor;
- o licensing breweries, distilleries and wineries, and their agents;
- o monitoring and controlling liquor advertising in the province;
- o inspecting licensed premises to ensure they comply with the law; and,
- o taking appropriate disciplinary action against licensees for contraventions of the Liquor Control and Licensing Act and regulations.

While a liquor licence gives the right to sell liquor in an establishment, there are obligations and legal responsibilities that go along with it.

Thus, the primary purpose of the licensing process is to maximize economic and social benefits to the community while minimizing the social cost associated with the public consumption of liquor. Within this context, the Liquor Control and Licensing Branch is responsible for:

- o monitoring regulated business and marketplace transactions for compliance with legislation, regulations and public protection standards;
- o ensuring public protection and market integrity through fair and efficient licensing systems which allow marketplace entry for law-abiding, competent and financially sound applicants; and,
- o assisting and informing consumers, business operators and investors regarding their rights and responsibilities under the Liquor Control and Licensing Act and regulations.

In all its dealings, the branch works to promote a progressive and responsive customer service image. Its goal is to provide efficient and equitable service and to effectively manage available resources.

It is the branch's duty to ensure all licensees comply with terms and conditions of their licences and operate their premises in a proper manner according to the law.

In particular, the General Manager of the Liquor Control and Licensing Branch is granted authority to supervise operation of every licensed establishment in British Columbia. The general manager ca.. thus issue a warning or cancel or suspend licences for:

- o the licensee's failure to comply with the requirements of the act or regulations;
- o conviction of the licensee of an offence under municipal, provincial or federal laws, where the offence relates to the licensed establishment;
- o persistent failure to keep the licensed establishment in a clean and orderly fashion;

- the existence of a circumstance under Section 16, which would prevent the issuing of a licence. For example, a licence may not be issued, renewed or transferred to a person who, in the general manager's opinion, is not a fit and proper person; or to a person who is not the owner of the business carried on at the establishment; or if the issuance of a licence would be contrary to the public interest; and,

- suspension or cancellation of a licence, permit or certificate necessary for the operation of the licensed establishment by a municipal, regional or provincial authority.

Seven categories of licences are available.

A Licences:

Hotels, resorts, clubs, recreational centres, aircraft, trains, motor vessels, airports, municipally and provincially owned cultural centres, universities, military messes.

B Licences:

Dining establishments primarily engaged in the service of food.

C Licences:

Cabarets primarily engaged in providing entertainment.

D Licences:

Neighbourhood Public Houses.

E Licences:

Sports stadiums or concert halls.

F Licences:

Establishments oriented to marine activities (Marine Public Houses).

G Licences:

Establishments operating within a world fair or exposition.

Interest in licensing continued to be strong during the year. A total of 548 new licences were issued.

Overall, there was a 12 per cent increase in the number of licences which were issued from those which were issued during the previous reporting year. There were no major changes in licensing rules during the year.

Before a licence is issued, the applicant and the intended location of the proposed licensed establishment must be pre-cleared to ensure compliance with licensing regulations. Should the application be denied, then the applicant may appeal to the Minister by notice in writing sent by registered mail within 30 days after the date of the refusal. The Minister, in his discretion, shall decide the appeal and his decision is final.

An appeal does not go before the Minister until the applicant exercises his option of a full hearing before the general manager who will review the application. Should he refuse it, the applicant may then take further appeal to the Minister.

In practice, the Deputy Minister has been delegated responsibility to handle appeals on the Minister's behalf.

A recently established estate winery, Keremeos Vineyards, dissolved and was reformed as St. Laszlo Vineyards.

Three new cottage breweries were licensed during the year: the North Island Brewing Company located in Campbell River, the Victoria City Brewing and Malting Corp. located in Victoria, and the Okanagan Spring Brewery located in Vernon.

The branch continued to receive many enquiries about the licensing of small breweries and wineries, and there was also a substantial interest in cider production. Very few formal applications have been received.

The branch introduced an amendment to the regulations allowing qualified hotels, neighbourhood pubs and marine pubs to set up licensee retail stores to sell domestic beer, wine, cider and coolers. There were 16 licensee retail store extensions granted to those establishments licensed with off-premise sales privileges. The branch has received numerous enquiries and applications with regard to this recent change.

A further amendment to branch policy removed the restriction which prevented the service of draught beer in restaurants and recreational centres. Upon application to the branch, draught beer can now be made available to all licensees.

Police throughout British Columbia assist the branch in enforcing liquor laws by conducting regular walk-throughs of licensed establishments.

The police walk-through program is aimed at preventing criminal or disorderly activity by providing a highly visible police presence. The police bring infractions to the attention of the branch and ultimately submit a report to the branch. Reports are also submitted on problem-free establishments.

The volume of reports filed with the branch by the police continued at a high level and prompt action was taken by the enforcement division in appropriate circumstances.

In general, a licensee would face disciplinary proceedings when there is a lack of control in the establishment, when licence conditions have been breached or when there has been a breach of the act, regulations or rules administered by the branch.

Some of the common situations which result in disciplinary proceedings are: service to minors, service after hours, over-service of patrons, service of liquor without food in restaurants and problems associated with entertainment (usually that which causes or contributes to lack of control in the establishment).

Liquor inspectors employed by the branch work with police and other government agencies by monitoring activities and conducting investigations of licensed establishments.

Another source of information which aids enforcement is complaints from the public. Every effort is taken to investigate these complaints as well as those brought to the branch's attention by municipal governments or other regulatory authorities.

Every report is thoroughly reviewed. Further investigation, a hearing and warning letters are all enforcement tools employed by the branch.

Tables which illustrate disciplinary action taken in the reporting year are included in the appendix to this report.

Although the number of "problem" licensees is small in comparison to the total, it has been necessary to adopt stronger measures in cases of persistent or flagrant breaches of the law.

The branch has, for many years, carried out its enforcement activities in the firm belief that relatively short suspensions are sufficient to both punish the offender and act as a deterrent to others. This approach is no longer satisfactory. While each case must be judged on its own merits, all licensees are on notice that the branch will not hesitate to impose lengthy suspensions or even cancellations in appropriate cases.

Where a suspension of the liquor licence is deemed necessary, the suspension is usually imposed on the day of the week when the infraction occurred. If the infraction occurred on a Friday, the suspension will in all probability be on a Friday. This is particularly so in dealing with overcrowding infractions.

Suspension may also result from action taken by municipalities exercising their powers under business licence by-laws. This results in an immediate review of the establishment's liquor licence. Although the business licence may be reinstated, the liquor licence may not automatically be restored.

Any enforcement action taken by the branch can be appealed. During the reporting year, nine enforcement decisions were appealed to the Commercial Appeals Commission. Two appeals were abandoned, five appeals were dismissed, one appeal was pending and one appeal was upheld as of March 31, 1986.

Various associations have assisted the branch with their co-operation and participation during meetings between the branch, police and other regulatory agencies.

In addition, the Liquor Distribution Branch always works closely with the Liquor Control and Licensing Branch in the issuance of special occasion licences and in identifying liquor infractions.

While the branch has taken action against some licensees, the majority continue to ensure their licensed premises are operated in accordance with the Liquor Control and Licensing Act and regulations.

As Expo 86 drew near, the branch anticipated 80 to 100 new "G" licences on the Expo site. These licences covered various food and entertainment facilities.

In 1985-86, the Liquor Control and Licensing Branch employed 50 full-time equivalents with actual expenditures of $1,996,970.

Three deputy general managers serve under a general manager. They are responsible for policy, research and administration, licensing and enforcement.

There are 23 inspectors located in a number of areas to service the province. The areas served are Greater Vancouver, Vancouver Island and regional districts which are covered from Prince George, Fort St. John, Terrace, Kamloops, Kelowna, Penticton and Creston.

Remaining branch staff support operations by serving records and financial management, licensing administration, data co-ordination and clerical functions.

LIQUOR DISTRIBUTION

Liquor Distribution Branch

The Liquor Distribution Branch has four major business goals:

- to provide levels of service to satisfy customer needs;
- to optimize branch profit acknowledging the requirement to generate revenue as budgeted by government;
- to provide suppliers with controlled access to the marketplace on a fair basis; and,
- to present a progressive and responsible image to the general public, suppliers, government and employees.

Product Availability

Fundamental to good customer service is product availability. The Purchasing Department has introduced a computerized ordering system which identifies priority needs. Speed in processing and placing orders has shown substantial improvement during the reporting year and has resulted in fewer out-of-stock situations. The automated Customs Liquor Import Products System received further enhancement this year to further support product availability through prompt and accurate customs entry.

In addition, the Distribution Department has achieved more than a 99.5 per cent completeness ratio for store orders placed on distribution centre inventories. Achieving greater product reliability, multiple delivery, 24 to 48 hour delivery schedules, shorter order lead times and substitute ordering has assisted stores in reacting to product demand at the local level.

Market access and product availability were affected by product contamination. The presence of diethylene glycol, mesurol and ethyl carbamate resulted in the removal of some products from the B.C. market. British Columbia was fortunate to have relatively few contaminated products.

Customer Service

Serving customers is a top priority not only in terms of customer relations but also in product display, physical facilities and special programs.

"Customer Service" and "Product Knowledge" courses were designed to ensure staff are informed, informative and helpful. Almost 1,300 employees have completed the "Product Knowledge" course while 1,800 have completed the "Customer Service" course.

The store renewal program resumed this year with the replacement of the Tsawwassen store in November, 1985. By year end, new stores opened at Capilano Mall in North Vancouver, Gorge and Tillicum in Victoria, Commercial Drive in Vancouver and Mission. Also underway are replacement stores in Chase, Prince George, Rossland and Ganges. In total, 12 store replacement facilities were underway at year end. Newton in Surrey became the site for liquor store service for the first time in that area. The Yates Street store in Victoria was closed in December, 1985.

Attention has also been given to shelving. Dated wooden gondola shelving is being replaced on an ongoing basis with modern B.C. produced wire racking. New shelf labels and signs highlighting price reductions have been introduced.

The rural agency store program continued to provide service to many small communities not serviced by a B.C. liquor store. During the year, 12 new rural agency stores were established and four closed. At the end of the fiscal year, 102 such outlets were in operation.

Hours of sale in B.C. liquor stores have received extensive review resulting in permanent and seasonal changes to meet customer and community needs.

In response to a desire by customers to be better informed about products, the Product Guide continues to provide informative articles on all aspects of the branch's portfolio. The Product Guide features a feedback form that has proven successful, with the majority of responses being positive. This will become a higher profile activity next year.

During the reporting year, a trial program, T.A.S.T.E., was introduced in 42 high volume stores. The objective of the program is to allow suppliers to offer in-store tasting of their products. The program remained well controlled and achieved its educational objective. Hundreds of thousands of customers have participated with an overwhelmingly positive response. The program will continue and expansion is being considered.

Special Events

The branch was able to purchase top growth 1982 Bordeaux and 1983 Burgundy wines and offer these prestigious wines at attractive prices.

The practice of operating portable stores at special events was continued at the Vancouver Wine Festival and the Okanagan Wine Festival. Other ways of presenting branch products and services at special events, such as trade fairs, will be considered for next year.

Market Access

The branch accepts listing applications for both general and specialty listings in B.C. liquor stores from all suppliers or their agents.

General listings, which are available to most of our 215 stores, are approved by a formal listing committee which meets twice per year. The committee reviews the branch portfolio, selects new products for listing and delists products which fail to meet sales quotas. Listings are based on factors such as market demand, price, reliability and quality as well as sensory evaluation.

In the reporting year the Listing Committee gave the branch a general and specialty portfolio of 2,330 products from around the world. There were also 588 restricted product listings approved which are not sold through B.C. liquor stores but through outlets such as ships chandlers, Expo 86, consignment agency stores and duty free stores. Speculative items, which agents are promoting to licensees with a goal of building demand, also have restricted availability as they are not sold in B.C. liquor stores.

Each year, a general review of purchasing and marketing policy is undertaken to respond to changes in the marketplace. In this fiscal year, quotas for spirit products were changed to reflect decreasing customer demand. By lowering quotas, suppliers were able to retain listings and customers continued to enjoy product choice.

The policy was also amended to allow a separate "Cooler" category so suppliers could expand their product offerings for an expanding market.

Product Portfolio
As at March 31, 1986

Specialty Listings

Domestic	117
Imported	697
	814

General Listings

	Domestic	Import	Total
Spirits/ Liqueurs	327	166	493
Wines	396	406	802
Ciders/ Coolers/ Beers	186	35	221
Total	909	607	1,516

As response to changing consumer preferences has led to listing more wines, coolers, ciders and imported beers, stores have had to find ways and means to physically accommodate these products. The S.P.A.C.E. program will be implemented in the coming year to assist store staff in planning shelf space allocation for these products.

The I.M.A.G.E program was implemented this fiscal year for suppliers to provide in-store show material in conjunction with store displays and external marketing efforts. The objective is to create an interesting, exciting and constantly changing retail environment in B.C. liquor stores by using the most effective merchandising practices available.

Profit Optimization

The branch exceeded its revenue target of $390 million set for the 1985/86 reporting year. Net income was $397 million from total liquor stores sales in the province of $1,107 million.

Employment costs are planned and controlled by use of a very detailed industrially engineered productivity system. This was fully reviewed and updated this year. Productivity improved by 1.5 per cent.

Programs were also put into place to improve distribution of products to rural agency stores and to minimize branch handling costs. An initial group of ten agency stores began ordering products directly from branch distribution centres rather than from a liquor store. A review of the first eight months indicates agency store satisfaction and improved efficiencies in the branch stores which were formerly supplying these agencies.

In addition, 55 rural agency stores began receiving their domestic beer supplies directly from Pacific Brewer's Distributors, thus eliminating the freight cost to the agency and the product handling cost to the branch. This direct delivery program is being further enhanced in the next fiscal year by an automatic debit method of payment to the branch.

During the year, commercial winery store agreements were developed for six of B.C.'s seven commercial wineries. The seventh will be implemented during 1986/87.

These agreements now provide revenue to the province on sales through commercial winery stores.

The commercial wineries benefit by being permitted to sell directly to licensees.

New Retail Opportunities

The announcement in May, 1985 of new government policies concerning liquor retailing led to expanded retail opportunities for British Columbia wineries through stores which may be operated away from the winery location. Although industry response has initially been slow, a number of proposals were received for implementation in 1986/87.

New agreements have also been negotiated between the branch and B.C. estate wineries which improved administrative and financial terms as well as reporting for stores operated at the wineries and by the Okanagan Valley Estate Winery Association (O.V.E.W.A.) in larger centres. At year end there were five O.V.E.W.A. stores located in Victoria and Vancouver. Some expansion of these retail activities is anticipated in the coming year.

The May, 1985 announcement also allowed certain hotels and neighbourhood pubs to open licensee retail stores on their premises for the sale of B.C. packaged beer, cider, wines and coolers. There were 17 such stores established by year end with more expected next year.

As is required under the Liquor Distribution Act, the branch is required to table its own annual report before the Legislature. Further details of the branch's activities can be found in the 65th Annual Report of the Liquor Distribution Branch.

Corporate and Financial Services Commission and Commercial Appeals Commission

Both commissions are appellate tribunals established by statute to hear appeals from decisions made under certain sections of Ministry statutes.

The Corporate and Financial Services Commission can hear appeals under the Securities Act and Investment Contract Act.

The Commercial Appeals Commission hears appeals under the following statutes:

Company Act
Credit Reporting Act
Credit Union Act
Insurance Act
Liquor Control and Licensing Act
Liquor Distribution Act
Mortgage Brokers Act
Motor Dealer Act
Real Estate Act
Society Act
Travel Agents Act

These various acts prescribe the form and manner in which appeals can be launched with either commission.

During the reporting year, members of the commissions included:

Kemp Edmonds, Chairman
Charles F. Long
Christopher E. Jukes
John Melville McEwen
Kenneth A. Morrison
Arthur M. Roberts
Kenneth G. Russell
Ross J. Ker
Joseph Thomas Hutton

Appeals brought to both Commissions totalled 49 under the following statutes during the year:

Company Act	2
Credit Union Act	4
Liquor Control and Licensing Act	16
Liquor Distribution Act	1
Motor Dealers Act	1
Real Estate Act	17
Securities Act	8

Auditor Certification Board

The board receives applications from and certifies accountants to be auditors of reporting companies.

Five members are appointed by the Lieutenant Governor in Council, including one from each of the professional accounting societies in British Columbia.

Members as of March 31, 1986 were:

B. F. Adams, F.C.G.A., Chairman
Rupert Bullock, Secretary
Gilbert C. Gray, F.C.A.
Ken W. Mahon, F.C.A.
John F. Wray, R.I.A.

The board received and granted one application for a renewal of certification. Two applications for certification were received; one was denied and the other was granted a certification restricted to conducting statutory audits under the Society Act and the Real Estate Act for a period of one year. One board meeting was held during the reporting year.

Policy and Legislation

The branch prepares and processes legislative initiatives and carries out the Ministry's legislative amendment program. The branch also coordinates reviews of existing legislation, provides staff support for specific policy projects initiated by program managers and undertakes policy and research projects in areas of particular relevance to the Ministry.

In addition, the branch appraises legislative proposals of the federal government which may affect consumer and corporate clients within British Columbia.

Since August, 1985, when the Library (since renamed the Resource Centre) was added to the branch, an information and research service has also been provided to Ministry staff.

During the year under review, the following legislation was passed:

Securities Act

- this act replaces the current act and will provide a legislative base for situations presently covered by local policy such as continuous and timely disclosure and self dealing by mutual fund insiders. It will also enable British Columbia to be considered "uniform" with other provinces by adopting new rules for issuer bids and takeover bids, civil liability and introducing the closed system concept for distribution of securities. As well, a British Columbia Securities Commission will be established to consider important policy decisions that will affect the future direction of investment in securities within the province.

Commodity Contract Amendment Act

- the original act received Royal Assent in 1978 but was not proclaimed until February, 1986. The amendment act requires that persons who deal with the public in commodity contract trading be registered, sets out an approval process for the types of contracts used in these trades and ensures that investors are protected by adequate safeguards when dealing in commodities markets.

Society Amendment Act

- permits occupational groups to apply to the Registrar of Societies to have their occupational title and initials registered. Registration enables an occupational group to signal to consumers that its members have the status to conduct themselves in the name of the group and for the purpose for which it is registered.

Real Estate Amendment Act

- allowed formulation of the Real Estate Foundation. The role of the Foundation is to establish and administer a fund primarily for real estate related education and research. The Real Estate Amendment Act (#2) required filing of disclosure statements from members of the industry, instead of a prospectus at the discretion of the Superintendent of Real Estate.

Travel Agents Amendment Act

- sections 2, 3, 5 and 10 permitted a loan to the Travel Assurance Fund and provided for the appointment of a Travel Industry Council to advise and assist the Registrar of Travel.

Minor legislative amendments were made to the Residential Tenancy Act, Motor Dealer Act, Credit Union Act, Insurance Act, Real Estate Act and the Condominium Act.

Major legislative reviews were undertaken of seven other acts. These reviews await Cabinet approval before being translated into legislative amendments.

Policy reviews and studies were continued regarding the regulatory reform of financial institutions. As well, the branch provided background and briefing materials for a variety of liquor-related trade negotiations and working groups.

Responses to federal legislation were prepared in three primary areas. These included the Bankruptcy Act, Patent Act (drug patents), and financial sector regulation.

The branch operates offices in Vancouver and Victoria. Total branch full-time equivalent staff during the reporting year were 14.

Expenditures during the reporting year totalled $808,979, a savings of $54,536 over projected expenditures for the reporting year.

Information Systems Branch

During the reporting year, the Information Systems Branch developed an information systems plan to support Ministry program staff.

A systems steering committee was also established to monitor and direct development of automated systems within the Ministry.

Additional word processing and micro-computer equipment was installed in a number of areas, producing substantial productivity gains. Systems were implemented for monitoring and administering mobile home pad rent increases and travel agent, consumer investigation and mobile home registrations. A new financial system and a full-time equivalent monitoring system were also installed.

A report by Information Systems Branch together with Corporate, Central and Mobile Home Registry on revenue collecting and monitoring procedures of the Ministry indicated a need for additional automation to provide more efficient, speedy and accurate controls and procedures. Information Systems Branch implemented a new computer system to facilitate procedures for prospectus monitoring, insider records and investigations for prospective companies dealing with the Vancouver Stock Exchange.

A new computer system for the Central Registry was also successfully implemented.

The branch continued operating with three full-time equivalents. The need for additional staff resources was identified as demand for data processing and information systems increased. Budget expenditures for the reporting year totalled $193,559.

Personnel Services

Personnel Services Branch objectives are:

- o to recruit the best personnel in Ministry positions through appropriate staffing actions;
- o to represent the Ministry in all labour relations matters and to provide labour relations advice and direction to Ministry personnel;
- o to represent the Ministry on personnel matters with central agencies such as Treasury Board and Government Personnel Services Division;
- o to perform classification audits and reviews;
- o to provide technical support, direction and advice to programs on implementation of classification and reclassification actions;
- o to provide technical support to programs respecting organizational structure, development and compensation;
- o to provide direction and advice to programs on employee training, educational opportunities and subsidies;
- o to represent the Ministry in cases involving the Occupational Health and Screening Committee; and,
- o to provide direction and advice to management representatives of safety committees.

In 1985-86, Personnel Services reduced its staff from 12.25 to 9.20 full-time equivalents. Expenditures were reduced to $399,835.

Government-wide personnel policies and directives are issued and administered by the Personnel Services Branch. In addition, the branch works closely with the Government Personnel Services Division of the Ministry of Provincial Secretary and Government Services. Careful attention is also paid to complying with collective agreements affecting unionized Ministry employees.

All personnel files are being inputted into a computerized system (Personel Management Information System (PMIS)). The system is in its developmental stage but is expected to provide significant time savings for Personnel Services and other Ministry branches as it will enable issuing of more timely and accurate reports and statistics. Plans are underway for conversion of paper files onto the computerized program. Personnel Services is working closely with Information Systems Branch in this area.

A total of 169 Ministry employees received subsidized training during the 1985-86 fiscal year. Of the 169 staff members, 102 were female and 67 were male. By classification, there were 18 senior management, 14 management, 43 professional and 94 clerical employees trained.

Three dedicated courses - Supervisory Training, Performance Planning and Manual Dynamics were organized by Personnel Services for the benefit of 47 Ministry employees.

One session of "Taking Charge of Your Career", a program designed to encourage advancement of women in the public service was offered in Vancouver. Seven staff members participated.

Operational Review

Operational Review independently assesses Ministry programs to provide advice to senior management on the efficiency, effectiveness and economy of Ministry operations, as well as internal management practices and controls.

Operational Review provides expertise to staff and program managers in developing management information systems, workload and performance measures. The branch also makes recommendations to increase productivity and to improve resource allocation within the Ministry.

Twenty-one projects were undertaken during the reporting year. Projects included systems development, program evaluation, resource and workload analysis, and organizational and procedural reviews. Breakdown by program area is as follows:

Consumer and Tenancy Relations	3
Corporate and Financial Relations	5
Management Support Services	4
Ministry (general)	9
Total	21

Breakdown of projects by objective is as follows:

Improving management information	6
Increasing program efficiency	4
Increasing program effectiveness	2
Increasing program efficiency and effectiveness	4
Improving organizational structure	3
General administrative assistance	2
	21

Specific projects completed included:

- o revision of the management information system in the Corporate, Central and Mobile Home Registries;
- o design and implementation of new policies and procedures for the office of the Registrar of Travel;
- o review of the real estate prospectus vetting function in the office of the Superintendent of Brokers;
- o review of the Ministry's fee and licence structure;
- o completion of a Ministry vehicle utilization plan; and,
- o review and revision of number, type, and use of forms in the Corporate, Central and Mobile Home Registries.

The branch had a staff complement of four full-time equivalents during the reporting year. However, the branch had a full complement for only one month, due to promotions and recruitment lags. Budget expenditures for the year totalled $131,148.

Public Affairs

Public Affairs supports efforts of Ministry executive and program staff by providing public relations services and advice.

The branch's main objective is to administer communications, public relations and information activities to maintain public awareness and understanding of Ministry legislation, regulations, policies, operations and services.

Other objectives are:

- o to develop and maintain media relations to ensure Ministry programs are presented and received positively and that a record of contact with the media is maintained;
- o to initiate and prepare news releases, annual and other reports, brochures, audio-visual materials and speeches to explain legislative requirements and Ministry policies;
- o to provide a comprehensive distribution service (acts, regulations, pamphlets, news releases, etc.) for the Ministry; and,
- o to provide liaison with the Ministry of the Provincial Secretary, Government Information Services (GIS) on behalf of the Ministry.

During the reporting year, the Ministry library transferred from Public Affairs to Policy and Legislation. The consumer education officer also moved from the branch to Consumer and Tenancy Relations. The branch then consisted of a consultant, (contracted following resignation of the acting director), a clerk-stenographer and a distribution clerk.

Major activities of the restructured branch during the reporting year included:

- o provision of media and public relations support to Federal/Provincial/Territorial Meeting of Ministers Responsible for Financial Institutions;
- o printing of brochure "Cemeteries and Funerals: Some Facts You Should Know";
- o production of fast fact sheets entitled "Requirements of the Motor Dealer Act" and "Commodity Trading in B.C.";
- o updating and reprinting brochure "Incorporating a Company"; and,
- o updating and reprinting 15 other fast facts on various topics of concern to the Ministry.

Distribution statistics and a list of news releases produced can be found in the appendix.

Expenditures during the reporting year were $170,420; total full-time equivalents were 3.

Financial Services

Financial Services is responsible for the Ministry's system of financial administration, including budgetary preparation and control, accounting and reporting, financial policy development and implementation, administration of cross-ministry matters related to space, vehicles, telecommunications, postal services, records management and liaison with central agencies of government.

A staff of 16 carries out these responsibilities. Actual expenditures during the reporting year were $668,059.

The following major projects were completed during the reporting year:

- o implemented a new computer-based accounting system which reduced Ministry dependance upon central agencies for processing data and reporting information;

- o continued development of the Ministry's Finance and Administration Procedures manual. The manual provides guidance to managers regarding the Financial Administration Act and government policy on financial administration matters;

- o reviewed and made recommendations on the system of collecting, recording, depositing and reconciling revenues received by the Ministry; and,

- o automated a number of internal budgetary control information systems such as building occupancy, telecommunications and postal services to offer more accurate and timely information to Ministry managers and other government agencies.

Details of the Ministry's budget are provided in the appendix.

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Actual Expenditures

PROGRAM	1983-84	1984-85	1985-86
Minister's Office	$ 181,569	$ 205,776	$ 201,542
Ministry Operations			
Executive and Administration			
Deputy Minister's Office	138,735	237,273	293,647
General Manager, Management Support Services	101,263	103,631	148,440
Financial Services	537,336	514,133	668,059
Personnel Services	346,586	454,241	399,835
Operational Review	82,599	138,649	131,148
Legal Services *	118,787	101,925	--
Policy and Legislation	612,073	692,354	808,979
Information Systems **	--	--	193,559
Public Affairs	492,868	409,233	170,420
Subtotal	2,430,247	2,651,439	2,814,087
Consumer and Tenancy Relations			
Executive	196,040	250,540	255,524
Investigations	368,634	449,976	467,228
Credit and Debtor Assistance	789,459	1,006,101	1,043,883
Travel Agents	168,804	200,375	234,170
Motor Dealers	244,826	341,753	372,568
Cemeteries	123,344	155,175	163,414
Consumer Operations	580,992	--	--
Rentalsman/Residential Tenancy Branch ***	3,796,677	2,518,117	1,100,606
Subtotal	6,268,776	4,922,037	3,637,393
Corporate and Financial Relations			
Executive	123,027	151,352	194,449
Corporate, Central and Mobile Home Registry	4,147,263	5,125,632	5,443,828
Brokers, Insurance and Real Estate; Corporate Investigations	2,905,809	3,570,421	3,580,751
Credit Unions, Co-operatives and Trust Companies	626,453	923,471	996,874
Commissions/Boards	147,859	136,910	188,288
Subtotal	7,950,411	9,907,786	10,404,190
Liquor Control and Licensing	1,626,722	1,923,267	1,996,970
Ministry Operations Total	18,276,156	19,404,529	18,852,640
Ministry Total	$18,457,725	$19,610,305	$19,054,182

* Lawyer's services for the Ministry of Consumer and Corporate Affairs were provided by the Ministry of the Attorney General.

** New branch in 1985-86.

*** The Office of the Rentalsman ceased operations September 30, 1984. The Residential Tenancy Branch started operations on July 1, 1984.

Actual Revenues

PROGRAM	1983-84	1984-85	1985-86
Consumer and Tenancy Relations			
Credit and Debtor Assistance	$ 42,977	$ 43,410	$ 40,370
Travel Agents	57,202	60,540	64,872
Motor Dealers	251,933	250,210	261,082
Cemeteries	800	1,000	1,100
Rentalsman/Residential Tenancy Branch*	40,519	67,052	95,330
Subtotal	393,431	422,212	462,754
Corporate and Financial Relations			
Corporate, Central and Mobile Home Registry	14,699,279	14,476,576	15,523,367
Brokers, Insurance and Real Estate	1,668,388	2,144,860	1,929,950
Credit Unions, Co-operatives and Trust Companies	572,868	621,536	649,063
Subtotal	16,940,535	17,242,972	18,102,380
Liquor Control and Licensing	14,385,538	15,484,118	16,466,334
Miscellaneous	--	--	16,406
Ministry Total	$31,719,504	$33,149,302	$35,047,874

* The Office of the Rentalsman ceased operations September 30, 1984. The Residential Tenancy Branch started operations on July 1, 1984.

Full-time Equivalents Utilization

PROGRAM	1983-84	1984-85	1985-86
Minister's Office	7	7	7
Ministry Operations			
Executive and Administration			
Deputy Minister	3	3	4
Finance and Administration *	27	30	33
Legal Services	2	1	0
Policy and Legislation	13	13	14
Public Affairs **	14	8	6
Subtotal	59	55	57
Consumer and Tenancy Relations			
Executive	2	5	5
Investigations	10	10	10
Consumer Credit and Debtor Assistance	23	24	25
Travel Agents	3	4	5
Motor Dealers	7	8	9
Cemeteries	3	4	4
Consumer Operations	12	0	0
Subtotal	60	55	58
Rentalsman/Residential Tenancy Branch ***	103	52	20
Corporate and Financial Relations			
Executive	2	2	2
Corporate, Central and Mobile Home Registry	136	130	154
Brokers, Insurance and Real Estate; Corporate Investigations	83	82	90
Credit Unions, Co-operatives and Trust Companies	18	21	24
Commissions/Boards	1	1	1
Subtotal	240	236	271
Liquor Control and Licensing	45	47	50
Ministry Operations Total	507	445	456
Ministry Total	514	452	463

* Includes the Executive Director's Office, Financial Services, Personnel Services and Operational Review.
** Includes Information Systems and Public Affairs.
*** The Office of the Rentalsman ceased operations September 30, 1984.

CONSUMER AND TENANCY RELATIONS

Consumer Credit and Debtor Assistance Branch
Summary of Activities

	1982-83	1983-84	1984-85	1985-86
Total debt-counselling sessions	6,969	5,333	5,121	5,491
Orderly payment of debts				
Orders granted	721	516	445	398
Orders paid/defaulted /settled	326	520	530	390
Total OPD/DAB caseload	1,739	1,595	1,430	1,510
Trust funds disbursed				
OPD	$1,996,013	$2,718,465	$2,321,316	$2,509,692
DAB	$ 535,581	$ 612,513	$ 289,499	$ 332,454
Total	$2,531,594	$3,330,978	$2,610,815	$2,842,146
Debt Collection Act				
Agency licences issued	123	147	145	139
Collection licences issued	633	724	560	486
Written complaints	172	191	144	191
Telephone complaints	2,650	2,930	2,861	2,571
Licences cancelled/ refused/suspended	4	17	9	17
Prosecutions	0	0	0	0
Gross collections	N/A	N/A	N/A	$40,000,000
Bonds posted	N/A	N/A	N/A	$ 3,400,000
Credit Reporting Act				
Licences issued	40	38	38	41
Written complaints/ enquiries	30	29	28	* 289
Telephone complaints	220	120	140	* 425
Disclosures to consumers	21,664	22,366	28,970	31,277
Licences suspended/ cancelled/refused	Nil	Nil	Nil	Nil

* Method of reporting was changed in 1985-86.

Registrar of Travel Services

	1982-83	1983-84	1984-85	1985-86
Registrants				
Registrants as at April 1 (year beginning)	701	694	731	802
New registrants	102	86	84	98
Change of ownership		49	36	38
Closures	109	49	13	10
Registrants as at March 31 (year end)	694	731	802	890
Inspections				
Routine	25	204	64	36
Cemetery audits *	4	5	4	1
Claims against Travel Assurance Fund				
Claims paid	312	339	166	529
Consumers involved	673	881	924	776
Amount paid through claims	$242,371	$285,451	$119,573	$451,348
Emergency payments				
Consumers assisted	714	474	540	489
Amount paid	$ 71,599	$ 53,967	$181,906	$172,274
Total funds paid out of Travel Assurance Fund	$313,970	$339,418	$301,414	$623,622
Contributions to fund from registrants	$165,339	$176,834	$190,834	$230,404
Initial contribution fees	$ 34,800	$ 34,500	$ 38,100	$ 42,916
Recoveries from registrants in default	$ 2,219	$118,991	$ 73,046	$ 40,506
Travel Assurance Fund as at March 31 (year end)	$ 45,304	$ 4,630	$ 8,930	$ 9,048
Total B.C. sales by registrants (,000)	** --	$834,352	$947,705	$992,373
Interest earned	** --	** --	** --	$ 1,213

* Assists Registrar of Cemeteries with financial audits upon request.
** Not available.

Registrar of Cemeteries

Industry Profile

	1982-83	1983-84	1984-85	1985-86
Cemeteries	650	688	726	714
Mausolea	10	10	10	10
Columbaria	13	15	16	17
Crematoria	16	17	18	19
Funeral Homes	103	103	103	103
Perpetual Care Plans	155	158	161	162
Pre-paid Funeral Plans	28	30	33	37

Summary of Activities

	1982-83	1983-84	1984-85	1985-86
Inspections of Cemeteries, Mausolea Columbaria and Crematoria	238	162	161	178
Perpetual Care Financial Reviews	61	57	37	56
Burial Areas Approved by Certificate	13	103	49	44
Funeral Plan Audits	25	25	28	25
Bylaw Amendments Approved	73	58	54	46
Rate Change Approvals	50	73	51	42
Consumer Complaints	28	35	35	38

Residential Tenancy Branch

(Figures cover from July 1, 1984 when branch became operational to March 31, 1986)

Statistical Information

	1984-85 (9 months)	1985-86	% Increase or decrease
Arbitration applications	1,774	3,110	
Monthly average	197	259	31.47
Information files	479	785	
Monthly average	53	65	22.64
Office attendances	*8,587	11,849	
Monthly average	817	987	20.81
Telephone inquiries	* 86,803	93,644	
Monthly average	8,300	7,804	(-5.98)
Notice of rent increase	** 20,280	15,634	

* Office opened July 1, 1984; the months reflecting overlap with the Office of the Rentalsman were not included in calculation of average monthly volumes.

** These figures reflect some continued filing of notices for units other than mobile home pads, although no longer required by the legislation.

Subject Matter of Arbitration and Information Files Opened

	1984-85		1985-86	
Repairs/services	115	(5.1%)	225	(5.8%)
Order for possession	1,098	(48.7%)	2,074	(53.3%)
Early termination	233	(10.3%)	233	(6.0%)
Disputed termination	400	(17.8%)	679	(17.4%)
Miscellaneous	407	(18.1%)	682	(17.5%)
Total	2,253		3,893	

	1984-85	1985-86
Revenues	$ 52,410	$ 93,060
Expenditures	$1,139,379	$1,100,606

Motor Dealer Licensing

	1982-83	1983-84	1984-85	1985-86
Number of registered dealers	1,489	1,474	1,456	1,469
Registrations cancelled	25	21	24	30
Registrations suspended	1	2	0	7
Conditional registrations	1	1	0	0
Applications rejected	12	14	1	0
Dealer inspections	1,997	1,680	2,247	2,289
Complaints investigated	68	76	107	139
Violation charges laid	27	21	8	19
Hearings held	41	40	33	16
Problems solved prior to hearing	2	2	8	9

Trade Liaison
Summary of Activities

	1984-85	1985-86
Enquiries	5,902	4,520
Complaints	1,570	1,370
Meetings	223	82
Seminars	4	6
Letters	848	1,054

CORPORATE AND FINANCIAL RELATIONS

Corporate, Central and Mobile Home Registry

	1983-84	1984-85	1985-86
Corporate Registry			
New Incorporations/Registrations			
B.C. Companies	13,915	14,065	16,180
Extra-Provincial Companies	1,267	1,230	1,283
Trust Companies	2	4	7
Partnerships	6,241	6,940	8,175
Co-operatives	49	53	34
Societies	1,020	1,019	1,052
Changes of Name Registered			
Companies	3,656	3,646	4,108
Societies	99	123	105
Continuations			
In province	99	294	129
Out of province	116	132	111
Amalgamations	334	294	336
Roll-overs	540	852	346
Dissolutions during the Year			
Companies	7,712	30,999	31,914
Societies	45	132	42
Partnerships	292	385	507
Restoration of Companies	163	213	430
Encumbrance Filings	67,456	67,642	73,887
General Filings	257,953	255,296	259,797
Document Searches			
Companies	222,618	233,005	284,110
Names	75,623	82,254	89,842
Miscellaneous			
Certificates of Good Standing	4,731	4,889	4,743
Certified Copies	5,275	5,573	5,197
Changes of Purposes - Societies	175	184	169
Central Registry			
Documents registered under Chattel Mortgage Act, Sale of Goods on Condition Act, Book Accounts Assignment Act, Repairers Lien Act, Company Act	365,887	363,408	400,607
Encumbrance Searches	326,744	315,005	329,568

	1983-84	1984-85	1985-86
Mobile Home Registry			
New Registrations	2,028	1,272	1,142
Transfer of Ownership	13,230	10,780	9,642
Searches	22,082	19,094	19,230
Copies of Documents	21,265	19,383	17,196
Security Instruments	8,234	7,490	9,138
Transport Permits	5,949	4,789	4,395
Revenue			
Corporate Registry	$7,649,724	$8,064,625	$8,675,503
Central Registry	$6,341,185	$6,153,989	$6,634,858
Mobile Home Registry	$ 746,922	$ 616,638	$ 585,315

Superintendent of Brokers, Insurance and Real Estate
Comparative Analysis of Registrants, Licensees and other Data

	1983-84	1984-85	1985-86
Registrations/licences issued			
Securities Act	2,601	* 1,700	*** 2,544
Mortgage Brokers Act	533	* 254	366
Investment Contract Act	2	3	1
Commodity Contract Act	--	--	238
Insurance Act	9,579	* 3,866	9,611
Real Estate Act	15,277	* 7,155	10,223
Registration/licences (as at March 31)			
Securities Act	3,053	3,309	*** 3,621
Mortgage Brokers Act	623	566	505
Investment Contract Act	2	3	3
Commodity Contract Act	--	--	238
Insurance Act	7,830	8,706	9,173
Real Estate Act	11,554	11,112	11,447
Vettings and filings			
Securities Act			
Prospectuses accepted	654	667	540
Statements of Material Facts accepted	219	122	205
Real Estate Act			
Subdivisions accepted	407	195	113
Subdivisions exempted	--	--	336
Strata property plans approved	548	244	553
Disclosure statements filed	--	--	** 38
Hearings			
Before the Superintendent or Deputy Superintendent	17	7	15
Rulings and orders			
Securities Act	2,725	2,623	2,529
Real Estate Act	7	8	19
Suspensions/cancellations			
Securities Act	--	1	3
Mortgage Brokers Act	5	4	--
Real Estate Act and Insurance Act	38	36	19

* Decreases attributable to change to two-year anniversary system for registration and licensing in 1984.

** Disclosure statements accepted for filing effective December, 1985.

*** Includes self-regulatory organizations.

Comparative Analysis of Offerings Submitted and Accepted Under the Securities Act

1985-86

	Number Submitted	Number Accepted	Amount Accepted ($000)
Prospectuses	582	540	$16,275,301
Statements of Material Facts	259	205	140,254
Rights Offerings	95	82	358,740
Private Placements	916	754	787,889
TOTALS	1,852	1,581	$17,562,184

1984-85

	Number Submitted	Number Accepted	Amount Accepted ($000)
Prospectuses	890	667	$11,209,294
Statements of Material Facts	179	122	72,500
Rights Offerings	116	90	251,098
Private Placements	521	506	1,984,578
TOTALS	1,706	1,385	$13,517,470

1983-84

	Number Submitted	Number Accepted	Amount Accepted ($000)
Prospectuses	757	654	$ 8,809,737
Statements of Material Facts	260	219	163,250
Rights Offerings	138	116	2,436,877
Private Placements	458	450	1,427,804
TOTALS	1,613	1,439	$12,837,668

Corporate Investigations Branch
Files Investigated

Act Classifications	1982-83	1983-84	1984-85	1985-86
Company Act			30	33
Criminal Code			80	150
Commodity Contract Act			19	17
Cooperative Association Act				1
Credit Union Act			8	5
Investment Contract Act			3	
Insurance Act	322	369	* 181	212
Mortgage Brokers Act	** 66	** 129	79	68
Real Estate Act	305	416	885	936
Securities Act	370	698	806	948
Society Act			5	0
Trust Company Act				3
Other			2	23
Total	1,063	1,612	2,098	2,396

* The reason for the drop in insurance files category is that an insurance administrator now handles administrative complaints that were previously dealt with by investigators.

** Includes Criminal Code, Company Act, Commodity Contract Act and other categories.

Prosecutions

	1982-83	1983-84	1984-85	1985-86
Criminal Code	2	0	9	20
Insurance Act	0	3	1	0
Real Estate Act	1	1	0	0
Securities Act	2	10	3	0
	5	14	13	20

Superintendent of Credit Unions, Co-operatives and Trust Companies

At year end, December 31	1982	1983	1984	1985
Credit Unions				
Number	144	139	136	134
Members	930,000	932,000	960,000	976,000
	(,000)	(,000)	(,000)	(,000)
Total assets	$5,210,774	$5,707,708	$6,004,000	$6,295,000
Loans to members	3,857,766	4,445,696	4,566,236	4,949,000
Trust Companies				
Number	68	68	69	66
	(,000)	(,000)	(,000)	(,000)
Total assets	$37,766,243	$39,124,877	$46,615,895	$51,760,997
Demand deposits	502,795	675,500	689,458	790,255
G.I.C.'s and term deposits	1,839,508	2,030,248	2,264,519	2,488,554
Mortgage loans	4,490,678	4,206,255	4,416,171	4,428,036
Assets under administration	6,880,731	7,836,281	9,618,576	11,013,335

At fiscal year end, March 31	1982-83	1983-84	1984-85	1985-86
Co-operatives				
Number	473	518	562	589
Members	284,340	295,903	355,032	306,710
	(,000)	(,000)	(,000)	(,000)
Assets	$1,544,700	$1,907,600	$1,656,209	$1,200,561
Gross revenue	$1,677,500	$1,908,500	$ 936,648	$1,065,981

Inspections and Investigations

	1982-83	1983-84	1984-85	1985-86
Inspections				
Trust Companies				
Main	8	17	24	23
Branch	24	22	40	28
Credit Union examinations	103	139	136	133

British Columbia Co-operatives by Type 1985-86

Housing	249	Others	18
Consumer	132	Workers	25
Producer	73	Extra-provincial	16
Service	51	Manufacturing	8
Community	17	Total	589

LIQUOR CONTROL AND LICENSING

Liquor Licences

1985-86

	Total Licences at April 1, 1985	Licences Issued	Licences Cancelled	Total Licences at March 31, 1986
A Licences *	1,552	72	20	1,604
B Licences	3,406	445	163	3,688
C Licences	231	12	10	233
D Licences	213	14	0	227
E Licences	10	0	0	10
F Licences	15	5	0	20
G Licences	0	0	0	0
Totals	**5,427	548	193	5,782

1984-85

	Total Licences at April 1, 1984	Licences Issued	Licences Cancelled	Total Licences at March 31, 1985
A Licences *	1,537	75	23	1,589
B Licences	3,308	389	104	3,593
C Licences	239	10	7	242
D Licences	205	11	0	216
E Licences	14	1	0	15
F Licences	11	2	0	13
G Licences	0	0	0	0
Totals	**5,314	488	134	**5,668

1983-84

	Total Licences at April 1, 1983	Licences Issued	Licences Cancelled	Total Licences at March 31, 1984
A Licences	1,469	63	19	1,513
B Licences	3,041	318	99	3,260
C Licences	253	15	19	249
D Licences	183	15	2	196
E Licences	8	6	0	14
F Licences	0	3	0	3
Totals	4,954	420	139	**5,235

* An explanation of licence categories can be found in the section on the Liquor Control and Licensing Branch earlier in this report.

** Figures for total licences at March 31 and April 1 in the same year vary because at the licence renewal date (April 1), some licences become effective while others have not reregistered.

Summary of Licences by Category
1985-86

Licence	Renewed Licences	New Licences	Cancelled Licences	Total Licences at year end
A - Public House	18	0	0	
"A" Pub	405	4	4	
Combined Pub	24	0	0	
Lounge	1,073	67	16	
Mess	32	1	0	
Total	1,552	72	20	1,604
B - Sandwich Shop	45	17	3	
Beer, Wine & Liqueurs	0	21	5	
Dining Room	874	158	41	
Dining Lounge	2,049	205	94	
Dining Lounge/Holding Area	438	44	20	
Total	3,406	445	163	3,688
C - Cabaret	231	12	10	233
D - Neighbourhood Public House	213	14	0	227
E - Sports Stadium	10	0	0	10
F - Marine Public House	15	5	0	20
G - Exposition	0	0	0	0
	5,427	548	193	5,782

Revenue for the year ended March 31, 1986

Licence issuance fees *	$ 903,550.00
Distillers Licence fees	6,000.00
Winery Licence fees	6,500.00
Brewers Licence fees	230,851.41
Special Occasion Licence fees	253,440.00
Liquor Purchase Assessment fees	15,007,230.19
Transfer fees	54,800.00
Transfer of Shares	12,200.00
Sundry receipts	6,815.87
	$16,481,387.47

* Revenue received from licence fees is calculated on an accrual basis. In other words, the portion of licence renewal fees received during the January 1 to March 31, 1985 period that are applicable to the 1985-86 period are carried forward.

Enforcement Statistics

	1983-84	1984-85	1985-86
Police walk-throughs	25,054	23,091	22,198
Warning letters	278	332	346
Hearings	140	119	122
Suspensions	70	67	75

LIQUOR DISTRIBUTION BRANCH

Balance Sheet
As at March 31, 1986

Assets

	1986	1985
Current Assets		
Cash	$ 762,895	$11,410,129
Accounts receivable	3,189,502	2,240,349
Inventories	46,562,307	43,103,917
	50,514,704	56,754,395
Fixed Assets, at cost	34,929,227	33,679,731
Less accumulated depreciation	24,250,236	21,718,516
	10,678,991	11,961,215
	$61,193,695	$68,715,610

Liabilities

Current Liabilities		
Accounts payable and accrued liabilities	$43,702,175	$42,290,249
Province of British Columbia Advance	17,491,520	26,425,361
	$61,193,695	$68,715,610

Audit

The accounts of the Liquor Distribution Branch presented in these financial statements are included in the Combined Financial Statements of the Province of British Columbia. Although an auditor's opinion has not been expressed on these financial statements, the accounts of the branch have been examined as part of the audit of the Government's Combined Financial Statements.

Statement of Income
For the Year Ended March 31, 1986

	1986	1985
Sales	$936,608,588	$887,183,912
Cost of merchandise sold	497,377,024	483,245,840
	439,231,564	403,938,072
Provincial malt levy	62,566,293	50,950,686
	501,797,857	454,888,758
Operating expenses	106,842,589	103,114,123
	394,955,268	351,774,635
Other income	2,137,519	1,904,209
Net income	$397,092,787	$353,678,844

Statement of Changes in Financial Position
For the Year Ended March 31, 1986

	1986	1985
Cash provided by operations		
Net income	$397,092,787	$353,678,844
Amounts charged against income not requring an outlay of cash:		
Depreciation	2,904,461	3,575,179
Gain on disposal of fixed assets	(19,774)	(153,529)
(Increase) in accounts receivable	(949,153)	(1,106,092)
(Increase) in inventory	(3,458,390)	(5,859,071)
Increase in accounts payable	1,411,926	5,062,184
	396,981,857	355,197,515
Cash payments to Provincial Treasury	(406,026,628)	(351,549,735)
	(9,044,771)	3,647,780
Cash used for investment in fixed assets		
Acquisition of fixed assets	(1,622,864)	(1,366,601)
Proceeds on Disposal	20,401	164,762
	(1,602,463)	(1,201,839)
Increase (decrease) in cash	(10,647,234)	2,445,941
Cash at beginning of year	11,410,129	8,964,188
Cash at end of year	$ 762,895	$ 11,410,129

Statement of Changes in Province of British Columbia Advance
For the Year Ended March 31, 1986

	1986	1985
Balance at beginning of year	$ 26,425,361	$ 24,296,252
Net income	397,092,787	353,678,844
Cash payments to Provincial Treasury	(406,026,628)	(351,549,735)
Balance at end of year	$ 17,491,520	$ 26,425,361

Note: Full details of the branch's operations, including notes to the Financial Statements, may be found in the Sixty Fifth Annual Report of the Liquor Distribution Branch for the year ended March 31, 1986.